

# OFFERING CIRCULAR



**ICAP plc**

*(incorporated with limited liability in England and Wales under registered number 3611426)*

as an Issuer

and

**ICAP Group Holdings plc**

*(incorporated with limited liability in England and Wales under registered number 6694512)*

as an Issuer and, in respect of Senior Notes issued by ICAP plc, as guarantor

**£1,000,000,000**

## **Global Medium Term Note Programme**

On 16 June 2008, ICAP plc (**ICAP**) entered into a £1,000,000,000 Global Medium Term Note Programme (the **Programme**) and issued an offering circular on that date describing the Programme. This Offering Circular supersedes any previous offering circular.

Under the Programme, each of ICAP and ICAP Group Holdings plc (**IGHP**) (each of ICAP and IGHP an **Issuer** and references herein to the relevant **Issuer** shall, in relation to any issue of Notes, be construed to mean whichever of ICAP or IGHP is the Issuer of such Notes, as specified in the applicable Final Terms (as defined below)) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

Notes to be issued under the Programme may comprise either unsubordinated Notes (**Senior Notes**) or dated subordinated Notes (**Dated Subordinated Notes**), as specified in the applicable Final Terms.

The payment of all amounts owing in respect of Senior Notes issued by ICAP will be unconditionally and irrevocably guaranteed by IGHP.

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

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

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

Applications have been made (i) to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and (ii) to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

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

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

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

The Notes and (if applicable) the Guarantee (as defined herein) have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States. Notes may not be offered, sold or delivered in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S of the Securities Act, **U.S. persons**), unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*" and "*Terms and Conditions of the Notes – Transfer of Registered Notes*".

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

### **Arranger**

The Royal Bank of Scotland

### **Dealers**

Citi  
HSBC  
Lloyds TSB Corporate Markets

Commerzbank Corporates & Markets  
J.P. Morgan Cazenove  
Merrill Lynch International

The Royal Bank of Scotland

The date of this Offering Circular is 30 June 2009.

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

Each of ICAP and IGHP (each an *Obligor* and together the *Obligors*) accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Obligors (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Certain information under the heading “*Book-entry Clearance Systems*” has been extracted from information provided by the clearing systems referred to therein. Each Obligor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

Neither the Dealers nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by either Obligor in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by either Obligor in connection with the Programme.

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

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

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

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

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This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

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

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a *Relevant Member State*) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular, as completed by the Final Terms in relation to the offer of those Notes, may only do so in circumstances in which no obligation arises for the relevant Issuer, IGHP as Guarantor (if applicable) or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Obligors and any Dealer has authorised, nor does any of them authorise, the making of any offer of Notes in circumstances in which an obligation arises for the relevant Issuer, IGHP as Guarantor (if applicable) or any Dealer to publish or supplement a prospectus for such offer.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE RELEVANT ISSUER AND, IN THE CASE OF SENIOR NOTES ISSUED BY ICAP, IGHP AND THE TERMS OF THE NOTES BEING OFFERED, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE THE FOREGOING AUTHORITIES APPROVED THIS OFFERING CIRCULAR OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

None of the Dealers, the Obligors and the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes.

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## U.S. Information

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under “*Form of the Notes*”) for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act (*Rule 144A*) or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes (including the Guarantee) to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes (including the Guarantee) may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together *Legended Notes*) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale and Transfer and Selling Restrictions*” and “*Terms and Conditions of the Notes – Transfer of Registered Notes*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*”.

## Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## Available Information

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” (as defined in Rule 144A) within the meaning of the Securities Act, each of the Obligors has undertaken in the Trust Deed (as defined herein) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer or, in the case of Senior Notes issued by ICAP, IGHP is neither a reporting company subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the *Exchange Act*) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

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## Service of Process and Enforcement of Civil Liabilities

Each Obligor is a corporation organised under the laws of England and Wales. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Obligors and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside England and Wales upon the Obligors or such persons, or to enforce judgments against them obtained in courts outside England and Wales predicated upon civil liabilities of the Obligors or such directors and officers under laws other than English law, including any judgment predicated upon United States federal securities laws. The Obligors have been advised by Clifford Chance LLP, their counsel, that there is doubt as to the enforceability in England and Wales in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

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

## Stabilisation

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

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## Overview of the Programme

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

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

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

Issuers: ICAP plc and ICAP Group Holdings plc

Guarantor of Senior Notes issued by ICAP plc: ICAP Group Holdings plc

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

Description: Global Medium Term Note Programme

Arranger: The Royal Bank of Scotland plc

Dealers: Citigroup Global Markets Limited  
Commerzbank Aktiengesellschaft  
HSBC Bank plc  
J.P. Morgan Securities Ltd.  
Lloyds TSB Bank plc  
Merrill Lynch International  
The Royal Bank of Scotland plc

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

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

Notes having a maturity of less than one year

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

Issuing and Principal Paying Agent:	The Bank of New York Mellon acting through its London branch
Registrar:	The Bank of New York Mellon acting through its New York branch
Trustee:	BNY Corporate Trustee Services Limited
Programme Size:	Up to £1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Obligors may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro.
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. Under current requirements, in the case of Dated Subordinated Notes which qualify as Lower Tier 2 capital in accordance with the requirements of the Financial Services Authority, the minimum maturity will be five years. Any minimum or maximum maturities may be subject to increase or decrease from time to time as a result of changes in applicable legal or regulatory requirements.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and vice versa.

## Overview of the Programme

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Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes: Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of either (i) the relevant Issuer and/or (ii) the holders of such Notes (<b>Noteholders</b>) if either or both of Investor Put and/or Change of Control Put is/are specified as applicable in the Final Terms. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will be indicated in the applicable Final Terms.</p> <p>The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “<i>Certain Restrictions – Notes having a maturity of less than one year</i>” above.</p>
Denomination of Notes:	<p>The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “<i>Certain Restrictions – Notes having a maturity of less than one year</i>” above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p>
Taxation:	<p>All payments in respect of the Notes and the Guarantee (if applicable) will be made without deduction for or on account of withholding taxes imposed by the United Kingdom as provided in Condition 8. In the event that any such deduction is made, the relevant Issuer or IGHP as Guarantor (if applicable) will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.</p>
Negative Pledge:	<p>The terms of the Senior Notes will contain certain restrictions on the granting of security, as further described in Condition 4(a). Dated Subordinated Notes will contain no such provision.</p>
Status of IGHP within the Group:	<p>For so long as IGHP has obligations as Guarantor under the Guarantee and under the Trust Deed and/or is an Issuer of any outstanding Senior Notes, the terms of the Senior Notes will contain a covenant relating to IGHP’s status within the Group, as further described in Condition 4(b). Dated Subordinated Notes will contain no such provisions.</p>

## Overview of the Programme

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Cross Default:	The terms of the Senior Notes will contain a cross default provision as further described in Condition 10. Dated Subordinated Notes will contain no such provision.
Status of the Senior Notes:	The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> 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 relevant Issuer, from time to time outstanding.
Status of the Dated Subordinated Notes:	The Dated Subordinated Notes will constitute direct and unsecured obligations of the relevant Issuer. The claims of the Trustee and the rights of the holders of the Dated Subordinated Notes will, in the event of the winding up of the relevant Issuer, be subordinated in right of payment to the claims of all unsubordinated creditors of the relevant Issuer and any amounts paid to the Trustee will be held on trust for distribution in satisfaction of the claims of unsubordinated creditors to the extent (if any) not fully paid and thereafter in or towards payment of the amounts due under the Dated Subordinated Notes and the relative Receipts and Coupons.
Guarantee:	<p>Senior Notes issued by ICAP will be unconditionally and irrevocably guaranteed by IGHP. The obligations of IGHP under its guarantee in respect of such Notes (the <b>Guarantee</b>) will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of IGHP and will rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of IGHP from time to time outstanding.</p> <p>IGHP may be released from its obligations under the Guarantee in the circumstances described in Condition 3(c).</p>
Rating:	The rating of certain Series of the Notes to be issued under the Programme may be specified in the applicable Final Terms.
Listing and admission to trading:	<p>Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>

## Overview of the Programme

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Governing Law:	The Notes and the Trust Deed will be governed by, and construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “ <i>Subscription and Sale and Selling and Transfer Restrictions</i> ” and “ <i>Terms and Conditions of the Notes – Transfer of Registered Notes</i> ”.
United States Selling Restrictions:	Regulation S, Category 2, Rule 144A, TEFRA C or D, as specified in the applicable Final Terms.

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## Risk Factors

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

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

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

### **Factors that may affect the relevant Issuer's ability to fulfil its obligations under Notes issued under the Programme and, in the case of Senior Notes issued by ICAP, IGHP's ability to fulfil its obligations under the Guarantee**

#### **Risks relating to the Obligors**

*The Obligors are holding companies and their financial performance is dependent, in part, upon other members of the Group.*

ICAP is the ultimate holding company of the Group. ICAP's financial condition depends upon the results of its financing and investment activities (principally through the issuance of listed equity securities), as well as upon the receipt of funds provided by other members of the Group. The ability of ICAP to meet its obligations and make payments in respect of the Notes will depend, in part, upon receipt by it of funds provided by other members of the Group. No assurance can be given that ICAP will be successful in its financing and investment activities, or that it will receive adequate funding to maintain its financial condition. These factors could materially affect ICAP's ability to make payment on the Notes.

IGHP, which is fully owned<sup>1</sup> by ICAP, is the holding company of a number of the Group's significant operating companies, including ICAP Securities Limited, ICAP America Investments Limited, ICAP Holdings (Asia Pacific) Limited, ICAP Holdings Limited and their respective subsidiaries (together the **IGHP Subsidiaries**) see "*Description of the Obligors – Group Structure*" on page 81. IGHP is also the borrower under the Group's principal credit facilities. IGHP's financial condition depends upon the results of its financing and investment activities, as well as upon receipt of funds provided by the IGHP Subsidiaries. The ability of IGHP to meet its obligations and make payments in respect of the Notes will depend, in part, upon the receipt by it of funds provided by the IGHP Subsidiaries. No assurance can be given that IGHP will be successful in its financing and investment activities, or that it will receive adequate funding to maintain its financial condition. These factors could materially affect IGHP's ability to make payment in respect of the Notes.

#### *IGHP has a limited operating history*

IGHP is a recently established company with a limited operating history and revenues. IGHP has not prepared any financial statements prior to those incorporated by reference into this Offering Circular. As a result, there is very limited historical financial information relating to IGHP which is available for review by potential investors in Notes issued or guaranteed by IGHP.

#### *Inter-dealer broking is highly competitive and competition could intensify in the future*

The Group has numerous current and prospective competitors, both domestic and international. Some of its competitors and potential competitors may have greater financial, marketing, technology and personnel resources than the Group has. These resources may enable them to, among other things:

- develop services similar to the Group or new services that are preferred by the Group's customers;

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<sup>1</sup> A single £1 ordinary share of IGHP is owned by Intercapital Limited, with the remaining 200,000,000 shares owned by ICAP plc.

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- provide access to trading in products or a range of products that the Group does not offer;
- provide better execution and lower transaction costs;
- offer better, faster and more reliable technology;
- take greater advantage of new or existing acquisitions, alliances and other opportunities;
- more effectively market, promote and sell their services;
- migrate products more quickly or effectively to electronic platforms which could move trading activity from the Group;
- better leverage their relationships with their customers; and
- offer better contractual terms to customers.

In addition, new or existing competitors could gain access to markets or products in which the Group currently enjoys a competitive advantage. Even if new or existing competitors do not significantly erode the Group's market share, they may offer their services at lower prices, and the Group may then be required to reduce its commissions to remain competitive, which could have a material adverse effect on its profitability. Similarly any failure by the Group to attract and maintain sufficiently qualified and capable staff and management personnel could be substantially detrimental to the Group's ability to compete. If the Group fails to compete effectively for any reason, its financial condition and operating results could be materially harmed.

A further consideration is that consolidation among the Group's customers may cause revenue, or key components of revenue, to be dependent on a smaller number of customers and may result in additional pricing pressure. While no single customer accounted for a material part of the Group's total revenue for the year ended 31 March 2009, if its existing customers consolidate and new customers do not generate offsetting volumes of transactions, then its revenues may become concentrated on a smaller number of customers. In that event, the Group's revenues may be dependent on its relationships with those customers to a material extent.

*The Group operates in a regulated environment that imposes costs and significant compliance requirements. The failure to comply with the regulations could subject the Group to sanctions or oblige it to change the scope or nature of its operations*

The Group is supervised by the Financial Services Authority (the **FSA**) and is required to meet the systems and controls requirements of the Capital Requirements Directive (the **CRD**) and has, during the past year, reviewed these and where necessary taken action to ensure compliance. The FSA adopts a risk-based approach to supervision and does this in various ways including the review of prudential returns, visits to the Group and meetings with senior management.

In the US, the Group's activities are primarily regulated by, amongst others, the Financial Industry Regulatory Authority and the Securities and Exchange Commission. The Group's operations in other countries are subject to relevant local regulatory requirements. Adherence to these regulations is monitored, where applicable, via the group general counsel, who reports regularly to the board of directors of ICAP (the **Board**).

Regulatory obligations require a commitment of resources. The Group's ability to comply with applicable laws, rules and regulations is largely dependent on its establishment and maintenance of compliance, control and reporting systems, as well as its ability to attract and retain qualified compliance and other risk management personnel. If it fails to maintain such compliance and reporting systems or fails to attract and retain personnel who are capable of designing and operating such systems, this will increase the likelihood that the Group may breach applicable laws and regulations exposing it to the risk of civil litigation and investigations by regulatory agencies, such as the FSA. Similarly, any failure of commercial management to understand and act upon applicable laws and regulations would present a similar risk.

From time to time the Group is the subject to enquiries and investigations by regulatory agencies, particularly in the US. Where appropriate these matters are disclosed in the Group's financial statements. These regulatory agencies have broad powers to investigate and enforce compliance and punish non-compliance with applicable rules and regulations and any claims or actions by these agencies could adversely affect the Group.

## Risk Factors

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The requirements imposed by the regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with the Group and are not designed to protect the Group's shareholders or investors. Consequently, these regulations can serve to limit the Group's flexibility regarding capital structure. Customer protection and market conduct requirements may also impinge on the scope of the Group's activities.

The Group currently benefits from an investment firm consolidation waiver, renewable in March 2012, which allows it a derogation from the requirement to comply with the full scope of the FSA's capital requirements under the CRD, removing the requirement for the Group to fund the goodwill element of acquisitions with Tier 1 Capital; any failure of the Group to comply with the conditions of such waiver, or to renew the waiver in due course, could require the Group to raise further significant share capital.

The Group is international in nature with a large proportion of its profits and revenues generated from traditional markets located outside of the United Kingdom (notably the United States of America) and the provision of non-broking or other unregulated services. As the Group continues to grow, the volume of revenues derived from activities other than the regulated business in the United Kingdom is expected to continue to increase. Therefore capital restrictions imposed on the Group under the CRD, which require it to operate brokerage activities in international markets on the same basis as it operates in the United Kingdom (irrespective of local requirements) could limit the Group's ability to complete further acquisitions or engage in new types of business.

In addition, as the Group expands parts of its business to provide services to a wider range of non-bank customers, such as professional investors and even retail investors (in the form of the home broker business operated in Brazil) and to emerging countries, the regulatory burden and risk of infringement increases.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that (i) the relevant Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or (ii) any member of the Group (which is as a supervised firm regulated by the FSA) will be unable to comply with its obligations as a supervised firm regulated by the FSA.

*The regulatory environment in which the Group operates is subject to change which could affect the business methodology of the Group and/or make it more onerous for the Group to comply with the obligations to which it is subject*

The current regulatory regimes under which the Group operates, particularly that of the FSA, require it to maintain minimum levels of excess capital. Since 2007, wide ranging financial regulatory developments were introduced. The impact of these changes, including the implementation of the Capital Requirements Directive (CRD) and the Markets in Financial Instruments Directive (MIFID), has considerably raised the profile of regulatory risk within the Group. Any changes in the Group's regulatory environment in the future could impact the Group's operations by making it more onerous for the Group to comply with the obligations to which it is subject. Any change to the applicability or requirements of the investment firm consolidation waiver which allows the Group a derogation from the requirement to comply with the full scope of the FSA's capital requirements under the CRD could also require the Group to raise further significant share capital.

Since the market disruption leading up to and following the collapse of Lehman Brothers, regulators worldwide have been under substantially greater pressure to increase both active tactical level scrutiny and macro-prudential oversight. Compounding the pressure, the effect of the huge market dislocations of recent months has been to reveal the conduct, or misconduct, of businesses, such as the allegations levelled at certain hedge funds. This, in turn, has led to intense criticism of even the most experienced regulatory agencies, and has precipitated government level rethinks on the methodology of regulation.

Although much of the recent scrutiny has been aimed at banks, it is with this background that the Group anticipates a general increase in both the burden of regulation and the activism of regulators. The risk that the current environment therefore presents to the Group is one in which:

- (i) greater scrutiny over the whole industry, at a time when rules and regulatory approach are in flux, increases the likelihood and probable impact of regulatory enquiries and the potential for fines or censure; and

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- (ii) there is a possibility that it will become mandatory for the execution and settlement of certain OTC transactions to be carried out on regulated exchanges.

*Inter-dealer broking and the resultant settlement process exposes the Group to risks that may have an impact on its liquidity and profitability*

The Group primarily brokers transactions in three different ways: as a matched principal, as an executing broker in respect of exchange traded instruments, and by name give-up.

In matched principal transactions, the Group acts as an intermediary by serving as counterparty for identified buyers and sellers in matching, in whole or in part, reciprocal back-to-back trades. In order to facilitate customer transactions and provide liquidity however, the Group may participate in certain marketplaces by posting quotations. Sometimes the act of posting quotations may result in having the Group act as principal on unmatched trades. In such a situation, the Group's policy is to liquidate or hedge and liquidate these principal positions as soon as reasonably practicable. The Group does not include proprietary trading businesses.

The Group operates the majority of its matched principal business on a delivery versus payment basis (DVP) whereby the first counterparty in the settlement process will deliver cash to the Group before receiving the security, and the second counterparty will shortly thereafter deliver the security before the Group transfers cash. By acting on a DVP basis the Group limits credit risk. The DVP settlement process gives rise to an intra-day funding requirement and, on occasions where the second counterparty to a trade fails to settle the transaction on the same day as the first leg of the transaction, an overnight funding requirement. In addition the Group requires access to clearing and settlement providers and may need access to funding for payment of collateral, margin calls and other clearing charges. In the event that any of these providers are unable to provide continued clearing services or the firm is unable to obtain lines of credit to enable continued clearing and settlement, and the posting of margins, this would severely limit the Group's ability to conclude trades with its customers and in extreme cases could lead to significant trade failures.

Where the Group acts as an executing broker, in its own name or via a third party in relation to exchange traded products, it executes customer orders which are subsequently given up in line with market practice to the customer's account maintained by a clearing broker. In the event that the clearing broker fails to take up the position traded, this could leave the Group with a position which would then be liquidated in accordance with its policy.

Additionally the Group is exposed to the risk that one of the counterparties to a transaction may fail to fulfil its obligations, either because it is not matched immediately or, even if matched, because one party fails to deliver the cash or securities it is obligated to deliver. Adverse movements in the prices of securities that are the subject of these transactions can increase the risk. In addition, widespread technological or communications failures, as well as actual or perceived credit difficulties or the insolvency of one or more large or visible market participants, could cause market-wide credit difficulties or other market disruptions. These failures, difficulties or disruptions could result in a large number of market participants not settling transactions or otherwise not performing their obligations.

The Group is subject to financing risk in these circumstances because if a transaction does not settle on a timely basis, the resulting unmatched position may need to be funded, either directly by it or through one of its clearing organisations at the Group's expense. These charges may be recoverable from the defaulting counterparty, but sometimes are not. In instances where the unmatched failure to deliver is prolonged or widespread due to rapid or widespread declines in liquidity for an instrument, there may also be regulatory capital charges required to be taken by the Group which, depending on their size and duration, could limit the Group's flexibility to transact other business. Credit or settlement losses of this nature could adversely affect the Group's financial condition or results of operations.

The Group also provides brokerage services to its customers in the form of agency transactions (also known as "name give-up"). In name give-up transactions the Group connects buyers and sellers of securities and other instruments, and may assist in the negotiation of price and other material terms of the transaction. At the point at which the parties agree to the terms, the Group leaves the buyer and seller to clear and settle directly with one another through the appropriate market mechanisms. The Group aims to invoice its customers on a

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monthly basis, which exposes the Group to credit risk on the non-recovery of commission income. Any delay or backlog in the process of collecting debts also increases the risk of exposure to customers that owe commission.

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

Although the Group regularly reviews and limits its credit exposure to specific customers and counterparties to address credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect the Group. The Group may be adversely affected in the event of a significant default by its customers and counterparties.

*The Group requires liquidity and access to settlement services*

Ready access to cash is essential to the Group's business, including to support margin requirements imposed by clearing houses to which customer transactions are submitted and to support wider business development and operations. Its liquidity could be impaired by an inability to access lines of credit, an inability to access funds from its subsidiaries or an inability to close out customer positions or otherwise sell assets. This situation may arise due to circumstances outside the Group's control, such as a general market disruption or an operational problem that affects third parties or itself. Further, the Group's ability to liquidate customer positions or otherwise sell assets may be impaired if other market participants are seeking to sell similar assets at the same time.

*Exchange rate fluctuations could negatively affect the Group's financial condition and results of operations*

The Group is subject to risks of currency exchange rate fluctuations. The Group earns a substantial portion of its revenue in currencies other than the pound sterling, particularly the US dollar and euro. Fluctuations in currency exchange rates can affect, on a pound sterling equivalent basis, the amount of the Group's earnings and net asset value.

*The Group's future success depends to a significant degree upon the continued contributions and retention of its key personnel*

The Group's future success will depend greatly upon the expertise and continued services of certain key personnel. The Group believes that it takes reasonable steps, including in many cases, the use of fixed term services agreements with staggered renewal dates and non-compete provisions, to lessen the impact of departure of a team or a key member of personnel. Nevertheless, the Group's business, its results or operations and financial condition may be adversely affected by the departure of one or more key members of personnel.

The Group's future success depends upon the efforts of its qualified and highly trained personnel, and upon its ability to recruit, retain and motivate such personnel, particularly in light of the rapid pace of technological advances. The level of competition for such skilled individuals is intense. If the Group is not able to attract and retain highly skilled employees, or it incurs increased costs associated with attracting and retaining personnel, it could have a material adverse effect on its financial condition and operating results.

*The Group may need to replace, upgrade and expand its computer and communications systems in response to technological developments*

The Group needs to maintain the computer and communications systems and networks that it currently owns and operates both for network infrastructure and the electronic broking business. Any inability to maintain or replace these systems and networks adequately and without disruption could have a material effect on the performance and reliability of such systems and networks, which in turn could materially harm its business.

Further, the markets in which the Group competes are characterised by rapidly changing technology, evolving customer demand and uses of its services and the emergence of new industry standards and practices that could render its existing technology and systems obsolete. The Group's future success will depend in part on its ability to anticipate and adapt to technological advances, evolving customer demands and changing standards in a timely, cost-efficient and competitive manner and to upgrade and expand its systems accordingly. Any upgrades or expansions in technology and the use of technology may require significant expenditures of funds.

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The Group may not have sufficient funds to update and expand its networks adequately, and any upgrade or expansion attempts may not be successful and accepted by the marketplace and its customers. Failure to update and expand its systems and networks adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards would have a material effect on the Group. Specifically, development by the Group's competitors of new electronic trade execution or market information products that gain acceptance in the market could give those competitors a "first mover" advantage that may be difficult for the Group to overcome with its own technology.

*Systems or facilities failure, capacity constraints or external factors (including power outages or terrorist action) could limit the Group's ability to conduct its operations*

The Group is heavily dependent on the capacity and reliability of the computer and communications systems and facilities supporting its operations, whether owned and operated internally or by third parties. These computer and communications systems and facilities may suffer performance degradation or failure from any number of reasons, including loss of power, acts of war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism, customer error or misuse, lack of proper maintenance or monitoring and similar events. If such a degradation or failure were to occur, it could cause:

- unanticipated disruptions in service to the Group's customers;
- slower response times;
- delays in trade execution;
- failed settlement of trades; and
- incomplete or inaccurate accounting, recording or processing of trades.

Further, if the Group's business continuity plans do not operate effectively, they may not be adequate to correct or mitigate the effects of any of the above eventualities. In addition, the business continuity plans or personnel of its third-party service providers may not be adequate to correct or mitigate any of the above eventualities or be implemented properly. The occurrence of degradation or failure of the communications and computer systems and facilities on which the Group relies may lead to financial losses, litigation or arbitration claims filed by or on behalf of its customers. Any such degradation or failure could also have a negative effect on the Group's reputation, which in turn could cause it to lose existing customers to its competitors or make it more difficult for it to attract new customers in the future.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that (i) the relevant Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or (ii) any member of the Group (which is a supervised firm regulated by the FSA) will be unable to comply with its obligations as a supervised firm regulated by the FSA.

*The Group may be adversely affected if its reputation is harmed*

The Group is subject to the risk of loss due to customer or staff misconduct. The Group's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to litigation and regulatory risk to the Group.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. The Group's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised activities from the Group, improper or unauthorised activities on behalf of customers, improper use of

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confidential information or use of improper marketing materials. The Group has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

*The Group may be adversely affected if it is not able to protect its Intellectual Property rights*

The Group protects its intellectual property by relying upon a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with its affiliates, customers, strategic partners and others. The protective steps the Group has taken may be inadequate to deter misappropriation of its proprietary information. Further, defending its intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the Group's business, financial condition and operating results.

The Group also takes measures to avoid infringing any third party's intellectual property rights. Any third party claim could be substantial in its own right, and also impact the ability of the Group to continue providing certain services or launch new ones.

*The Group may have difficulty integrating and operating recent acquisitions, as well as any future acquisitions, with its existing operations*

Since 2006, the Group has seen a number of significant acquisitions. In June 2006, ICAP acquired EBS Group Limited (EBS), in December 2007 it acquired Traiana, Inc. (Traiana), and in April 2008 ICAP completed the acquisition of Link Asset and Securities Company Limited (Link).

To date the financial and operational performance of acquired businesses have been in line with the Issuer's expectations at the time of acquisition. However the integration and operation of any future acquisitions may expose the Group to certain risks, including the following:

- difficulty in integrating the acquired businesses in a cost-effective manner, including the establishment of effective management information and financial control systems;
- unforeseen legal, regulatory, contractual, labour or other issues arising out of the acquisitions;
- significant unexpected liabilities or contingencies arising from the acquisitions, for which the Group is not fully indemnified;
- potential disruptions to the Group's ongoing business caused by senior management's focus on the acquired companies; and
- performance of acquired assets may not meet the Group's expectations or plans.

If the Group is unable to integrate successfully its recent acquisitions or any future acquisitions, this could have a negative impact on the results of the Group's operations or financial condition.

### **Risks Relating to the Industry**

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

The Group generates revenues primarily from commissions it earns by facilitating and executing customer orders. These revenue sources are substantially dependent on customer trading volumes. The volume of transactions its customers conduct with it is directly affected by domestic and international market factors that are beyond the Group's control, including:

- economic, political and market developments;
- broad trends in industry and finance;
- changes in trading patterns in the broader marketplace;
- price levels and price volatility in the securities markets;
- legislative and regulatory changes;
- actions of competitors;
- changes in government monetary policies;
- foreign exchange rates; and
- inflation.

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Any material decrease in trading volumes could have a material adverse effect on the Group, its financial condition and operating results.

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

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

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

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

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

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

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

##### *Notes subject to optional redemption by the relevant Issuer*

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

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

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

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

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

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

### *Partly-paid Notes*

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

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

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

### *Inverse Floating Rate Notes*

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

### *Fixed/Floating Rate Notes*

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

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

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

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

The relevant Issuer's obligations under Dated Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to the claims of all unsubordinated creditors of the relevant Issuer. Dated Subordinated Notes issued by ICAP will not have the benefit of the Guarantee.

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

### *Guarantee*

ICAP is the holding company of IGHP. On 31 March 2009, ICAP novated its obligations under the Group's core committed bank facilities to IGHP and during April and May 2009 a number of the Group's outstanding transactional foreign exchange hedges were also novated to IGHP from Intercapital Limited. At 31 March 2009, IGHP had £412 million of outstanding borrowings under the core bank facilities and had access to a further £336 million of committed funding. IGHP's borrowings are unsecured.

In order to mitigate any structural subordination issues arising from the novation of ICAP's obligations to IGHP, IGHP has, pursuant to the Trust Deed, given a guarantee of the obligations of ICAP in respect of Senior Notes issued by ICAP. The Guarantee will rank equally with present and future unsecured and unsubordinated indebtedness of IGHP. If in the future the Group identifies operational efficiencies in reinstating ICAP as the principal borrower under the Group's committed bank facilities, the terms of the Trust Deed provide that IGHP will be released from its obligations in respect of the Guarantee (including obligations in respect of any outstanding Notes) once the novation of the Group's bank facilities to ICAP has been completed and provided that IGHP does not have any other outstanding Financial Indebtedness (as defined in Condition 4(c)).

## **Risks related to Notes generally**

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

### *Modification, waivers and substitution*

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

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 15.

### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament

## Risk Factors

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approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the relevant Issuer, IGHP, as guarantor in respect of Senior Notes issued by ICAP, any Paying Agent and any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

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

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

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

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

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

### *The secondary market generally*

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

### *Exchange rate risks and exchange controls*

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

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

### *Interest rate risks*

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

## **Risk Factors**

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

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

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

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

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## Documents Incorporated by Reference

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

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

Balance Sheet	Page 57
Income Statement	Pages 54 to 55
Cash Flow Statement	Page 58
Accounting Principles and Notes	Pages 61 to 121
Audit Report	Page 52

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

Balance Sheet	Page 63
Income Statement	Pages 60 to 61
Cash Flow Statement	Page 64
Accounting Principles and Notes	Pages 67 to 123
Audit Report	Page 57

- (c) the consolidated financial statements of IGHP<sup>1</sup> in respect of the years ended:

- (i) 31 March 2009, including the information set out at the following pages in particular:

Balance Sheet	Page 7
Income Statement	Page 6
Cash Flow Statement	Pages 8 to 9
Accounting Principles and Notes	Pages 10 to 58
Audit Report	Page 5

and

- (ii) 31 March 2008, including the information set out at the following pages in particular:

Balance Sheet	Page 7
Income Statement	Page 6
Cash Flow Statement	Pages 8 to 9
Accounting Principles and Notes	Pages 10 to 58

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<sup>1</sup> During the financial year ended 31 March 2009, as part of a reorganisation of the Group, IGHP acquired a number of companies from ICAP, its parent company. As IGHP and its newly acquired subsidiaries are all under common control these acquisitions are outside the scope of IFRS3 "Business Combinations".

IGHP has therefore elected to apply predecessor accounting (merger accounting) when preparing its consolidated accounts. Using this method, IGHP is treated as if all the entities had always been combined. Consequently, the consolidated financial statements reflect IGHP's consolidated results for the full financial year and full comparatives for the twelve months ended 31 March 2008 are also given, even though the reorganisation took place in December 2008.

IGHP was registered in England and Wales as a private limited company and subsequently changed its status to a public limited company on 29 June 2009.

## **Documents Incorporated by Reference**

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

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

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

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

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## Form of the Notes

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

### **Bearer Notes**

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

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

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

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

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

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

For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream,

## Form of the Notes

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Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to that effect signed by two Directors of the relevant Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

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

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

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

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

### Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Regulation S Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (**QIBs**). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or (ii) be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes. None of the relevant Issuer, IGHP (in its capacity as guarantor of Senior Notes issued by ICAP), any Paying Agent, the Trustee and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## Form of the Notes

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Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the Trustee is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iv) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the relevant Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

### Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “*Subscription and Sale and Transfer and Selling Restrictions*” and “*Terms and Conditions of the Notes – Transfer of Registered Notes*”.

### General

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

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

In addition, holders of interests in a Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC’s standard operating procedures.

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## Form of Final Terms

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme*

[Date]

### **[ICAP plc/ICAP Group Holdings plc]**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the £1,000,000,000  
Global Medium Term Note Programme  
[guaranteed by ICAP Group Holdings plc]\*

The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer[, the Guarantor]\* or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer[, nor the Guarantor]\* nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

#### **PART A – CONTRACTUAL TERMS**

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

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

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

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

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\* *Applicable only for Senior Notes issued by ICAP plc.*

## Form of Final Terms

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

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

1. [(i)] Issuer: [ICAP plc/ICAP Group Holdings plc]  
[(ii)] Guarantor: ICAP Group Holdings plc  
*(N.B. Applicable only for Senior Notes issued by ICAP plc)*
2. (a) Series Number: [●]  
(b) Tranche Number: [●]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:  
(a) Series: [●]  
(b) Tranche: [●]
5. (a) Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [●]  
*(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*  
*(N.B. Where Bearer Notes with multiple denominations above €50,000 or equivalent are being used the following language should be used: “€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Notes in definitive form will be issued with a denomination above €99,000”)*  
*(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €50,000 minimum denomination is not required.)*  
(b) Calculation Amount: [●]  
*(If there is only one Specified Denomination, insert that Specified Denomination. If there is more than one Specified Denomination, insert the highest common factor. N.B. there must be a common factor in the case of two or more Specified Denominations)*
7. (a) Issue Date: [●]

## Form of Final Terms

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- (b) Interest Commencement Date:
8. Maturity Date:   
*[Fixed rate – specify date/Floating, rate – Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis:  per cent. Fixed Rate]  
 [LIBOR/EURIBOR] +/-  per cent. Floating Rate]  
 Zero Coupon]  
 Index Linked Interest]  
 Dual Currency Interest]  
*[specify other]*  
(further particulars specified below)
10. Redemption/Payment Basis:  Redemption at par]  
 Index Linked Redemption]  
 Dual Currency Redemption]  
 Partly Paid]  
 Instalment]  
*[specify other]*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*
12. Put/Call Options:  Investor Put]  
 Change of Control Put]  
 Issuer Call]  
(further particulars specified below)]
13. (a) Status of the Notes:  Senior/Dated Subordinated]
- (b) [Status of the Guarantee:  Senior]  
*(N.B. Applicable only for Senior Notes issued by ICAP plc)*
- (c) Date [Board] approval for issuance of Notes [and Guarantee] obtained:   
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or the related Guarantee (if applicable))]*
14. Method of distribution:  Syndicated/Non-syndicated]

### Provisions Relating to Interest (If Any) Payable

15. Fixed Rate Note Provisions  Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest:  per cent. per annum [payable [annually/semi annually/quarterly] in arrear]]  
 Condition 5(a)(ii) applicable.  
The Initial Rate of Interest is  per annum [payable

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

(f) Screen Rate Determination:

- Reference Rate: [●]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
- Interest Determination Date(s): [●]  
*(Second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- Relevant Screen Page: [●]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

(g) ISDA Determination:

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(h) Margin(s): [+/-] [●] per cent. per annum

(i) Minimum Rate of Interest: [●] per cent. per annum

(j) Maximum Rate of Interest: [●] per cent. per annum

(k) Day Count Fraction: [Actual/Actual (ISDA) or Actual/Actual Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Euro Bond Basis 30E/360 (ISDA) Other]

(l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]

17. Zero Coupon Note Provisions

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Accrual Yield: [●] per cent. per annum

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- (b) Reference Price:
- (c) Any other formula/basis of determining amount payable:
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment:  [Conditions 7(e) and 7(j) apply/specify other]  
*(Consider applicable day count fraction if not U.S. dollar denominated)*

### 18. Index Linked Interest Note Provisions

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Index/Formula:  [give or annex details]
- (b) Calculation Agent responsible for calculating the interest due:
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:  *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Specified Period(s)/Specified Interest Payment Dates:
- (e) Business Day Convention:  [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (f) Additional Business Centre(s):
- (g) Minimum Rate of Interest:  per cent. per annum
- (h) Maximum Rate of Interest:  per cent. per annum
- (i) Day Count Fraction:

### 19. Dual Currency Interest Note Provisions

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Rate of Exchange/method of calculating Rate of Exchange:  [give or annex details]
- (b) Calculation Agent, if any, responsible for calculating the interest payable:
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:  *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable:

**Provisions Relating to Redemption**

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [●]
  - (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [●] per Calculation Amount
  - (c) If redeemable in part:
    - (i) Minimum Redemption Amount: [●]
    - (ii) Maximum Redemption Amount: [●]
  - (d) Notice period (if other than as set out in the Conditions): [●]
21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [●]
  - (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [●] per Calculation Amount
  - (c) Notice period (if other than as set out in the Conditions): [●]
22. Change of Control Put: [Applicable/Not Applicable]
23. Final Redemption Amount: [[●] per Calculation Amount/*specify other/see Appendix*]
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same or on Change of Control Put (if applicable) (if required or if different from that set out in Condition 7(e)): [[●] per Calculation Amount/*specify other/see Appendix*]

**General Provisions Applicable to the Notes**

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

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]

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

*(N.B. If the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect:*

*“€50,000 and integral multiples of €1,000 in excess thereof up to and including €99,000. No Notes in definitive form will be issued with a denomination above €99,000”,*

*Notes should only be expressed to be exchangeable for Definitive Notes upon the occurrence of an Exchange Event)*

[Registered Notes:

[Regulation S Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]

[Rule 144A Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]

(b) New Global Note:

[Yes][No]

26. Additional Financial Centre(s) or other special provisions relating to Payment Days:

[Not Applicable/give details]

*(Note that this item relates to the place of payment and not Interest Period end dates to which items 16(c) and 18(f) relate)*

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

[Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]

29. Details relating to Instalment Notes:

(a) Instalment Amount(s):

[Not Applicable/give details]

(b) Instalment Date(s):

[Not Applicable/give details]

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30. Redenomination applicable: Redenomination [not] applicable  
[[If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms]]
31. Consolidation provisions: [Not Applicable/The provisions in Condition 17 apply]
32. Other final terms: [Not Applicable/give details]
- Distribution**
33. (a) If syndicated, names of Managers: [Not Applicable/give names]  
(b) Date of Subscription Agreement: [●]  
[The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.]  
(c) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name of relevant Dealer: [Name]
35. U.S. Selling Restrictions: [Reg. S Compliance Category TEFRA D/TEFRA C]
36. Additional selling restrictions: [Not Applicable/give details]

**Purpose of Final Terms**

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange’s regulated market and admission to the Official List of the UK Listing Authority of the Notes described herein pursuant to the £1,000,000,000 Global Medium Term Note Programme of ICAP plc.

**Responsibility**

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

Signed on behalf of [ICAP plc/ICAP Group Holdings plc]\* [Signed on behalf of ICAP Group Holdings plc\* :

By: .....  
Duly authorised

By: .....  
Duly authorised]

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\* Delete and complete as applicable.

## PART B – OTHER INFORMATION

### 1. Listing and Admission to Trading

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to listing on the Official List of the UK Listing Authority] with effect from [●]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to listing on the Official List of the UK Listing Authority with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. Ratings

- Ratings: The Notes to be issued have been rated:
- [Fitch: [●]]
- [Moody's: [●]]
- [[Other]: [●]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. Interests of Natural and Legal Persons Involved in the Issue

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

### 4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

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

### 5. Yield (Fixed Rate Notes only)

- Indication of yield: [●]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**6. Performance of Index/Formula, Explanation of Effect on Value of Investment and Associated Risks and Other Information Concerning the Underlying** (*Index-Linked Notes only*)

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

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

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

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

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

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

**7. Performance of rate[s] of exchange** (*Dual Currency Notes only*)

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

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

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

**8. Operational Information**

- (i) ISIN Code:
- (ii) Common Code:
- (iii) CUSIP:
- (iv) CINS:
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme/The Depository Trust Company and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any):
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

*[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]*

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## Terms and Conditions of the Notes

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

This Note is one of a Series (as defined below) of Notes issued by either ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**). References herein to the **Issuer** shall be construed to mean whichever of ICAP or IGHP is specified as the Issuer in the applicable Final Terms (as defined below). This Note is constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 16 June 2008 made between ICAP and BNY Corporate Trustee Services Limited (the **Trustee**, which expression shall include any successor as Trustee).

*IGHP acceded to the Programme as an Issuer and, in the case of Senior Notes issued by ICAP, as the Guarantor pursuant to a First Supplemental Trust Deed dated 30 June 2009 made between ICAP, IGHP and the Trustee.*

If this Note is specified in the applicable Final Terms as a Senior Note issued by ICAP, it is (subject to the provisions of Condition 3(c)) unconditionally and irrevocably guaranteed by IGHP (in such capacity, the **Guarantor**) pursuant to the terms of the Trust Deed. All references herein to the Guarantor and the Guarantee (as defined in Condition 3(c)) shall not apply to any other Notes.

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

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 30 June 2009 and made between ICAP, IGHP, the Trustee, The Bank of New York Mellon acting through its London branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon acting through its New York branch as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

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

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

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

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

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

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

### **1. Form, Denomination and Title**

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

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

## Terms and Conditions of the Notes

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

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

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

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor (if applicable), the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if applicable), the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor (if applicable), the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

For so long as The Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed and the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

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

## 2. Transfers of registered notes

### (a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denomination(s) set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC,

Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

**(b) Transfers of Registered Notes in definitive form**

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denomination(s) set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

**(c) Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

**(d) Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

**(e) Transfers of interests in Regulation S Global Notes**

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person (as defined in Regulation S) will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of 2(e)(i) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

### (f) Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate, copies of which are available from the specified office of any Transfer Agent, from the transferor of the Legended Note or beneficial interest therein to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

### (g) Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

### (h) Definitions

In the Conditions, the following expressions shall have the following meanings:

**Distribution Compliance Period** means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

**Legended Note** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

**QIB** means a **qualified institutional buyer** within the meaning of Rule 144A;

**Registered Global Note** means a Global Note representing Registered Notes;

**Regulation S** means Regulation S under the Securities Act;

**Regulation S Global Note** means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Note** means a Registered Global Note representing Notes sold in the United States or to QIBs;

**Securities Act** means the United States Securities Act of 1933, as amended; and

**U.S. persons** has the meaning given to it in Regulation S.

### **3. Status of the Notes and the Guarantee**

#### **(a) Status of Senior Notes**

The Senior Notes and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject as aforesaid and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

#### **(b) Status of Dated Subordinated Notes**

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

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

The provisions of this Condition 3(b) apply only to the principal and interest in respect of the Dated Subordinated Notes and nothing in this Condition 3(b) or in Condition 10 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

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

#### **(c) Status of the Guarantee of IGHP in respect of Senior Notes issued by ICAP**

The due performance of all payment and other obligations of ICAP under Senior Notes issued by it and any relative Receipts and Coupons and the Conditions and the Trust Deed in relation thereto has been unconditionally and irrevocably guaranteed (as more particularly described in the Trust Deed) by IGHP in its capacity as the Guarantor. The obligations of the Guarantor under its guarantee (the **Guarantee**) constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of IGHP and rank (subject as aforesaid and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of IGHP from time to time outstanding.

At any time after the first date on which IGHP shall have outstanding no Financial Indebtedness (as defined in Condition 4(c) below), the Trustee shall (at the request of IGHP in the form of a certificate signed by two Directors of IGHP, which certificate shall also certify that no such Financial Indebtedness is currently outstanding and that no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred or is expected to occur and upon which certificate the Trustee may rely absolutely) execute a supplemental trust deed releasing IGHP from its obligations as Guarantor under the Guarantee and under the Trust Deed (in such capacity) in respect of any Senior Notes already issued or to be issued by ICAP, but without prejudice to its obligations as Issuer in respect of any Notes or as IGHP under the Trust Deed. The fees, costs and expenses of the Trustee in connection with such a release shall be paid by IGHP, failing whom, ICAP.

IGHP has covenanted in the Trust Deed that, from such time that IGHP is released from its obligations as Guarantor in respect of Senior Notes issued by ICAP, it will not acquire, assume or incur any Financial Indebtedness unless prior thereto it shall have entered into a supplemental trust deed (in a form satisfactory to the Trustee) pursuant to which it will:

- (i) guarantee all Senior Notes issued by ICAP prior to such date;
- (ii) agree to guarantee all Senior Notes to be issued by ICAP after such date on the terms set out in the Guarantee; and
- (iii) be bound by all provisions of the Trust Deed and these Conditions applicable to the Guarantor.

In connection therewith, IGHP shall procure the delivery to the Trustee (at the time of entry into such supplemental trust deed) of a legal opinion as to the validity and enforceability (and such other matters as the Trustee shall require and as shall be customarily contained in such a legal opinion) of its obligations under such supplemental trust deed in a form satisfactory to the Trustee. The fees, costs and expenses of the Trustee in connection with the provision of such a guarantee shall be paid by IGHP, failing whom, ICAP.

#### **4. Negative pledge and covenant relating to IGHP's status within the Group**

This Condition 4 shall apply only to the Senior Notes and references to Notes and Noteholders shall be construed accordingly.

##### **(a) Negative pledge**

So long as any of the Notes remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor (if applicable) shall, and ICAP shall procure that no Principal Subsidiary (as defined in Condition 10) shall, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of their respective present or future businesses, undertakings, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer and the Guarantor (if applicable), in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by the Issuer under the Notes and by the Guarantor under the Guarantee (if applicable) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders,

provided that any Principal Subsidiary acquired after the Issue Date (as defined in the applicable Final Terms) may have an outstanding Security Interest with respect to any Relevant Indebtedness (without the obligation to secure the Notes as aforesaid) so long as:

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

### **(b) Status of IGHP within the Group**

For so long as IGHP has obligations as Guarantor under the Guarantee and under the Trust Deed and/or is an Issuer of any outstanding Senior Notes, the Issuer (and, where the Issuer is ICAP, IGHP) shall ensure that, as at the last day of each Measurement Period, IGHP Group Consolidated EBITDA for such Measurement Period is greater than or equal to 85 per cent. of Group Consolidated EBITDA for such Measurement Period.

### **(c) Definitions**

For the purposes of the Conditions:

**EBITDA** means the consolidated or, in the case of a Subsidiary with Subsidiaries, unconsolidated pre-taxation profits of a member of the Group for a Measurement Period as adjusted by:

- (i) adding back any finance costs;
- (ii) deducting any finance income; and
- (iii) adding back depreciation and amortisation, including impairment of intangibles;

**Financial Indebtedness** means any indebtedness (other than indebtedness owed by one member of the Group to another) for or in respect of:

- (i) moneys borrowed;
- (ii) any acceptance credit;
- (iii) any bond, note, debenture, loan stock or other similar instrument excluding such instruments that receive equity accounting treatment under IFRS;
- (iv) any redeemable preference share;
- (v) any agreement treated as a finance or capital lease in accordance with IFRS;
- (vi) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (vii) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (viii) without any double counting, any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution where, in each case, the primary liability is as described in paragraphs (i) to (vii) above; or
- (ix) without any double counting, any guarantee, indemnity or similar assurance (other than the Guarantee) against financial loss of any person in respect of any item referred to in the above paragraphs,

but excluding, in each case, any borrowings, or any guarantee, indemnity or similar assurance in respect of any borrowings, arising in the normal course of business as a result of delays arising in the clearing and settlement of commercial brokerage transactions, subject to any such commercial brokerage transaction not having been outstanding for a period exceeding 10 business days from (and including) the original settlement date in respect of such commercial brokerage transaction;

**Group** means ICAP and its Subsidiaries;

**Group Consolidated EBITDA** means the consolidated pre-taxation profits of the Group for a Measurement Period as adjusted by:

- (i) adding back any finance costs;
- (ii) deducting any finance income;
- (iii) adding back depreciation and amortisation, including impairment of intangibles;
- (iv) provided that if any exceptional, one-off, non-recurring or extraordinary items occurring in that Measurement Period exceed in aggregate 10 per cent. of Group Consolidated EBITDA, as calculated pursuant to paragraphs (i) to (iii) above, for that Measurement Period, such items shall (to the extent of the relevant excess) be excluded; and
- (v) for the purposes of the definition of “Principal Subsidiary” in this Condition 4(d):
  - (A) including (subject as set out below) the EBITDA of a member of the Group acquired during that Measurement Period for the part of the Measurement Period when it was not a member of the Group;

but

- (B) excluding the EBITDA attributable to any member of the Group sold during that Measurement Period.

For the purposes of sub-paragraph (A) above:

- (x) the EBITDA of a member of the Group which was acquired more than 90 days before the end of the Measurement Period will be adjusted by taking the EBITDA of the acquired member of the Group accrued for the period commencing on the date of its acquisition to (and including) the last day of the relevant Measurement Period multiplied by  $365/X$  (where  $X$  is the number of days elapsed from the date of its acquisition to (and including) the last day of the relevant Measurement Period) and
- (y) the EBITDA of a member of the Group which was acquired less than 90 days before the end of a Measurement Period shall be the sum of (i) the EBITDA of the acquired member of the Group determined in accordance with IFRS for the period from the date of its acquisition to (and including) the last day of the relevant Measurement Period and (ii) the EBITDA of the relevant member of the Group (based on the accounts prepared by the vendor but adjusted so as to be consistent with IFRS) for the period from the first day of the relevant Measurement Period to the date of its acquisition;

For the purposes of this definition, Group Consolidated EBITDA shall be calculated by reference to:

- (i) for the purposes of the definition of “Principal Subsidiary”, the amounts shown in the most recent consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited), as adjusted in the manner described above; and
- (ii) for the purposes of Condition 4(b), the amounts shown in the audited consolidated annual financial statements of ICAP for the relevant Measurement Period, as adjusted in the manner described above;

**IFRS** means international financial reporting standards;

**IGHP Group** means IGHP and its Subsidiaries;

**IGHP Group Consolidated EBITDA** means the consolidated pre-taxation profits of the IGHP Group for a Measurement Period as adjusted by:

- (i) adding back any finance costs;
- (ii) deducting any finance income; and
- (iii) adding back depreciation and amortisation, including impairment of intangibles;

provided that if any exceptional, one-off, non-recurring or extraordinary items occurring in that Measurement Period exceed in aggregate 10 per cent. of IGHP Group Consolidated EBITDA, as calculated pursuant to paragraphs (i) to (iii) above, for that Measurement Period, such items shall (to the extent of the relevant excess) be excluded.

For the purposes of this definition, IGHP Group Consolidated EBITDA shall be calculated by reference to the amounts shown in the audited consolidated annual financial statements of IGHP for the relevant Measurement Period, as adjusted in the manner described above;

**indebtedness** means, other than in the case of the definitions of “Relevant Indebtedness” in this Condition 4(d) and “Indebtedness for Borrowed Money” in Condition 10(a), any obligation (whether incurred as principal or as surety) for the payment or repayment of money;

**Measurement Period** means:

- (i) for the purposes of the definition of “Principal Subsidiary” and the related determinations, a period of 12 months ending on the last day of a financial half-year or full financial year; and
- (ii) for the purposes of Condition 4(b) and the related determinations, a period of 12 months ending on the last day of a full financial year;

**Principal Subsidiary** means each Subsidiary of ICAP whose EBITDA then equals or exceeds 5 per cent. of Group Consolidated EBITDA. For this purpose:

- (i) subject to paragraph (ii) below:
  - (A) the EBITDA of a Subsidiary of ICAP will be determined from its financial statements which were consolidated into the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited); and
  - (B) Group Consolidated EBITDA will be determined from the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited);
- (ii) if a Subsidiary of ICAP becomes a member of the Group after the date as at which the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) were prepared:
  - (x) the EBITDA of the Subsidiary will be determined from its latest financial statements; and
  - (y) Group Consolidated EBITDA will be determined from the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) but adjusted in the manner contemplated in the definition of Group Consolidated EBITDA to take into account any subsequent acquisition or disposal of a business or a company (including that Subsidiary);

- (iii) the EBITDA of a Subsidiary will, if it has Subsidiaries, be determined on an unconsolidated basis;
- (iv) if a Principal Subsidiary disposes of all or substantially all of its assets to another member of the Group, it will immediately cease to be a Principal Subsidiary and the other member of the Group (if it is not ICAP or already a Principal Subsidiary) will immediately become a Principal Subsidiary;
- (v) a Subsidiary of ICAP (if it is not already a Principal Subsidiary) will become a Principal Subsidiary on completion of any other intra-Group transfer or reorganisation if it would have been a Principal Subsidiary had the intra-Group transfer or reorganisation occurred as at the date at which the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) were prepared; and
- (vi) except as specifically mentioned in paragraph (iv) above, a member of the Group will remain a Principal Subsidiary until the next consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) show otherwise under paragraph (i) above;

**Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) having a stated maturity of not less than one year and represented by notes, bonds, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended to be, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, but excluding, for the avoidance of doubt, any borrowings arising in the normal course of business as a result of delays arising in the clearing and settlement of commercial brokerage transactions, subject to any such commercial brokerage transaction not having been outstanding for a period exceeding 10 business days from (and including) the original settlement date in respect of such commercial brokerage transaction, and (ii) any guarantee or indemnity of any such indebtedness; and

**Subsidiary** means, in relation to an entity, any company which is for the time being a subsidiary (within the meaning of section 736 of the Companies Act 1985 (as amended or re-enacted from time to time)) of such entity.

#### **(d) Certifications**

A report by two Directors:

- (i) of ICAP 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;
- (ii) of ICAP (or, where the Issuer is ICAP, IGHP) as to the amount of any EBITDA, Group Consolidated EBITDA or IGHP Group Consolidated EBITDA; or
- (iii) of ICAP (or, where the Issuer is ICAP, IGHP) as to the percentage contained in Condition 4(b) above (or as to any other figure required for any other purpose in connection with the Conditions or the Trust Deed (unless expressly otherwise stated)),

may, in any case, be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

### **5. Interest**

#### **(a) Interest on Fixed Rate Notes**

- (i) *Interest Payment Dates*

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

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on

(but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

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

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

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

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

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

(ii) *Step-up rate of interest*

If this Condition 5(a)(ii) is specified as applicable in the applicable Final Terms, the Rate of Interest will be the Initial Rate of Interest specified in the applicable Final Terms. The Initial Rate of Interest shall be subject to adjustment (each such adjustment, a **Rate Adjustment**) in the event of a Step-up Rating Change (if any) or a subsequent Step-down Rating Change (if any), as the case may be, in accordance with the following provisions. Any Rate Adjustment shall apply in respect of the Fixed Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step-up Rating Change or Step-down Rating Change, as the case may be, until either a further Rate Adjustment becomes effective or the date of redemption, as the case may be.

For any Fixed Interest Period commencing on or after the first Interest Payment Date immediately following the date of a Step-up Rating Change, if any, the Rate of Interest shall be increased by the Step-up Margin specified in the applicable Final Terms.

In the event that a Step-down Rating Change occurs after the date of a Step-up Rating Change (or on the same date but subsequent thereto), then for any Fixed Interest Period commencing on the first Interest Payment Date following the date of such Step-down Rating Change, the Rate of Interest shall be the Initial Rate of Interest.

The Issuer shall use all reasonable efforts to maintain credit ratings for Senior Notes issued, or to be issued, by it from both Rating Agencies (as defined in Condition 7(d)(2)(A)). In the event that either Rating Agency fails to or ceases to assign a rating to Senior Notes issued, or to be issued, by the Issuer, the Issuer shall use all reasonable efforts to obtain a rating of Senior Notes issued, or to be issued, by it from a Substitute Rating Agency (as defined in Condition 7(d)(2)(A)), and references in this Condition 5(a)(ii) to Moody's or Fitch (each as defined in Condition 7(d)(2)(A)), as the case may be, or the ratings thereof, shall be to such Substitute Rating Agency or, as the case may be, the equivalent ratings thereof. In the event that such a rating is not obtained from a Substitute Rating Agency, then, for the purposes of the foregoing adjustments to the Rate of Interest, the ratings assigned by the remaining Rating Agency shall be deemed also to be the ratings assigned by the other Rating Agency.

In the event that both Rating Agencies fail to or cease to assign a rating to Senior Notes issued, or to be issued, by the Issuer and the Issuer fails to obtain a rating of Senior Notes issued, or to be issued, by it from a Substitute Rating Agency, a Step-up Rating Change will be deemed to have occurred on the date of such failure but not otherwise. If a rating of Senior Notes issued, or to be issued, by the Issuer is subsequently assigned by one or more Rating Agencies or a Substitute Rating Agency, then if such rating (or ratings if more than one) is at least *Baa3*, in the case of Moody's, or at least *BBB-*, in the case of Fitch, or the equivalent ratings in the case of a Substitute Rating Agency, a Step-down Rating Change will be deemed to have occurred on the date of such assignment.

The Rate of Interest will only be subject to adjustment due to a Step-up Rating Change or a deemed Step-up Rating Change as provided above upon the first occurrence on or after the Interest Commencement Date of a Step-up Rating Change and may occur only once. An adjustment to the Rate of Interest following the occurrence of a Step-down Rating Change or a deemed Step-down Rating Change as provided above may only occur once and, in any event, only after the occurrence of the Step-up Rating Change.

The Issuer shall cause each Rating Change (if any) and the applicable Rate of Interest to be notified to the Principal Paying Agent, the Trustee, any stock exchange on which the relevant Notes are for the time being listed and the Noteholders (in accordance with Condition 14) as soon as practicable after such Rating Change.

In the Conditions:

**Rating Change** means a Step-up Rating Change and/or a Step-down Rating Change;

**Step-down Rating Change** means, subject as provided above in relation to a deemed Step-down Rating Change, the first public announcement after a Step-up Rating Change by both Rating Agencies of an increase in, or confirmation of, the rating of Senior Notes issued, or to be issued, by the Issuer to at least *Baa3*, in the case of Moody's, and to at least *BBB-*, in the case of Fitch. For the avoidance of doubt, any further increases in the credit rating of Senior Notes issued, or to be issued, by the Issuer above *Baa3*, in the case of Moody's, or above *BBB-*, in the case of Fitch, shall not constitute a Step-down Rating Change; and

**Step-up Rating Change** means, subject as provided above in relation to a deemed Step-up Rating Change, the first public announcement by either or both Rating Agencies of a decrease in the rating of Senior Notes issued, or to be issued, by the Issuer to below *Baa3*, in the case of Moody's, or below *BBB-*, in the case of Fitch. For the avoidance of doubt, any further decrease in the credit rating of Senior Notes issued, or to be issued, by the Issuer below *Baa3*, in the case of Moody's, or below *BBB-*, in the case of Fitch, shall not constitute a Step-up Rating Change.

**(b) Interest on Floating Rate Notes and Index Linked Interest Notes**

(i) *Interest Payment Dates*

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

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

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System (the **TARGET System**) is open.

(ii) *Rate of Interest*

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

(A) ISDA Determination for Floating Rate Notes

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

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter bank offered rate (**LIBOR**) or on the Euro-zone inter-bank offered rate (**EURIBOR**), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

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

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

(B) Screen Rate Determination for Floating Rate Notes

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

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

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

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

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

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

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

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (if applicable), the Trustee and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or admitted to trading and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Determination or Calculation by Trustee*

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

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee (or an expert appointed by it), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents, the Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor (if applicable), the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee (or an expert appointed by it) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

**(c) Interest on Dual Currency Interest Notes**

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

**(d) Interest on Partly Paid Notes**

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

**(e) Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided for by Clause 2.2 of the Trust Deed.

**6. Payments**

**(a) Method of payment**

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

### **(b) Presentation of definitive Bearer Notes, Receipts and Coupons**

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

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

Fixed Rate Notes in definitive bearer form (other than Fixed Rate Notes to which Condition 5(a)(ii) applies, Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Fixed Rate Note to which Condition 5(a)(ii) applies, Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

**(c) Payments in respect of Bearer Global Notes**

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

**(d) Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if a holder does not have a Designated Account, payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, will be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Guarantor (if applicable), the Trustee and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

**(e) General provisions applicable to payments**

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

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

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

**(f) Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) London;
  - (C) any Additional Financial Centre specified in the applicable Final Terms;
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and
- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

**(g) Interpretation of principal and interest**

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

**7. Redemption and purchase**

**(a) Redemption at maturity**

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

**(b) Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or, in the case of Senior Notes issued by ICAP, the Guarantor would be unable for any reasons outside its control to procure payment by the Issuer and in making payment itself would be obliged to pay such additional amounts, in each case as a result of any change, or proposed change, in, or amendment, or proposed amendment, to, the laws or regulations of the United Kingdom or any change in the application or official interpretation of such laws or regulations including a holding by a court of competent jurisdiction, whether or not having retrospective effect, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or, in the case of Senior Notes issued by ICAP, the Guarantor taking reasonable measures available to it,

provided that (I) before the fifth anniversary of their Issue Date, Dated Subordinated Notes may only be redeemed pursuant to this Condition 7(b) in accordance with Condition 7(k) and (II) no such notice of

redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**(c) Redemption at the option of the Issuer (Issuer Call)**

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

- (i) not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Trustee and the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date, provided that, before the fifth anniversary of their Issue Date, Dated Subordinated Notes may only be redeemed pursuant to this Condition 7(c) in accordance with Condition 7(k). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

**(d) Redemption at the option of the Noteholders**

- (1) If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 30 nor more than 60 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date, provided that Dated Subordinated Notes may only be redeemed pursuant to this Condition 7(d)(1) after the fifth anniversary of their Issue Date. Registered Notes may be redeemed under this Condition 7(d)(1) in any multiple of their lowest Specified Denomination. It may be that

before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

The Paying Agent or the Registrar, as the case may be, to which any Note in definitive form held outside Euroclear, Clearstream, Luxembourg and DTC and any Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note pursuant to this Condition 7(d)(1) the holder of this Note must, within the notice period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent or, as the case may be, the Registrar by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent or, as the case may be, the Registrar for notation accordingly.

- (2) In respect of Senior Notes only, if Change of Control Put is specified in the applicable Final Terms, this Condition 7(d)(2) shall apply.

(A) A **Put Event** will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers in force from time to time) or any person or persons acting on behalf of any such person(s) (the **Relevant Person**) at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued ordinary share capital of ICAP or (B) such number of shares in the capital of ICAP carrying more than 50 per cent. of the total voting rights attached to the issued share capital of ICAP that are normally exercisable on a poll vote at a general meeting of ICAP (such event being a **Change of Control**), provided that a Newco Scheme (as defined in Condition 10) shall not constitute a Change of Control; and
- (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), Senior Notes issued, or to be issued, by ICAP carry from either of Moody's Investors Service Limited (**Moody's**) or Fitch Ratings Ltd. (**Fitch**) or any of their respective successors or any other rating agency (each a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer (each, a **Rating Agency**):
  - (1) an investment grade credit rating (*Baa3/BBB-*, or *equivalent*, or *better*), and such rating from any Rating Agency is within the Change of Control Period either downgraded to

a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

- (2) a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*), and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (*for illustration, Ba1/BB+ to Ba2/BB being one notch*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
- (3) no credit rating from any Rating Agency and no Rating Agency assigns, within the Change of Control Period, at least an investment grade credit rating to Senior Notes issued, or to be issued, by ICAP,

provided that if on the Relevant Announcement Date Senior Notes issued, or to be issued, by ICAP carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (1) will apply; and

- (iii) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement. Upon receipt by the Issuer or the Trustee of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14.

If the rating designations employed by either of Moody's or Fitch are changed from those which are described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or Fitch and this Condition 7(d)(2) shall be read accordingly.

- (B) If a Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at its Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption or purchase.
- (C) Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7(d)(2).
- (D) To exercise the right to require the redemption or purchase of this Note under this Condition 7(d)(2), the holder of this Note, must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent or, as the case may be, the Registrar (a **Change of Control Put Notice**).

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption or purchase of this Note pursuant to this Condition 7(d)(2) the holder of this Note must, within the Put Period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of

Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

If this Note is in definitive form, the Change of Control Put Notice must be accompanied by this Note and (in the case of a Bearer Note) all Coupons appertaining thereto maturing after the date which is fifteen days after the expiration of the Put Period (the **Put Date**), failing which the relevant Paying Agent will require payment of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11) at any time after such payment, but before the expiry of the period of five years from the Relevant Date (as defined in Condition 8) in respect of such Coupon, but not thereafter. In the case of Registered Notes, the Change of Control Put Notice shall specify the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b).

The Paying Agent or the Registrar, as the case may be, to which any Note in definitive form held outside Euroclear, Clearstream, Luxembourg and DTC and any Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered.

Payment in respect of any Note so exercised will be made either (i) on the Put Date by transfer to the bank account (if any) specified in the relevant Change of Control Put Notice; or (ii) if no such bank account is so specified, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent (in the case of Bearer Notes) or any Paying Agent or the Registrar (in the case of Registered Notes). A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of the Conditions, pending redemption or purchase of the relevant Notes non-transferable receipts issued pursuant to this Condition 7(d)(2)(C) shall be treated as if they were Notes. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed pursuant to this Condition 7(d)(2), the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem or, at its option, purchase (or procure the purchase of) the remaining Notes as a whole at their Early Redemption Amount referred to in Condition 7(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption or purchase.

(E) In the Conditions:

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which Senior Notes issued, or to be issued, by ICAP are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration); and

**Relevant Potential Change of Control Announcement** means any public announcement or statement by ICAP, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

**(e) Early Redemption Amounts**

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

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

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

where:

**RP** means the Reference Price; and

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

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

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

**(f) Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

**(g) Partly Paid Notes**

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

**(h) Purchases**

ICAP, IGHP or any other Subsidiary of ICAP may (subject, in the case of Dated Subordinated Notes, to the prior consent of, or notification to (and no objection being raised by) the FSA (as defined in Condition 7(k) if then required) at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Notes so purchased may be held, reissued, resold or, at the option of ICAP or IGHP, surrendered to any Paying Agent and/or the Registrar for cancellation.

**(i) Cancellation**

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

**(j) Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

**(k) Redemption of Dated Subordinated Notes prior to fifth anniversary of issue**

Dated Subordinated Notes may only be redeemed by the Issuer pursuant to Condition 7(b) or (c) prior to the fifth anniversary of their Issue Date provided that:

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

**8. Taxation**

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

- (a) presented for payment in the United Kingdom; or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f)); or
- (d) where such withholding or deduction is made pursuant to European Council Directive 2003/48/EC or any other 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; or

- (e) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union other than the United Kingdom or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities.

As used herein the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

### 9. Prescription

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

### 10. Events of Default and Enforcement

#### (a) Events of Default relating to Senior Notes

This Condition 10(a) shall only apply to Senior Notes and references to Notes, Noteholders, Receipts, Receiptholders, Coupons and Couponholders shall be construed accordingly.

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

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 or more days in the case of principal and 14 or more days in the case of interest; or
- (ii) the Issuer or the Guarantor (if applicable) fails to perform or observe its obligation under Condition 4(b);
- (iii) the Issuer or the Guarantor (if applicable) fails to perform or observe any of its other obligations under the Conditions or the Trust Deed (other than those referred to in paragraphs (i) and (ii) above) and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or the Guarantor (if applicable), as the case may be, of notice requiring the same to be remedied; or
- (iv) (A) any Indebtedness for Borrowed Money of the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries is declared due and repayable prematurely by reason of an event of default (however described);  
  
(B) the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period;

- (C) any security given by the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; or
- (D) default is made by the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, in each case as extended by any applicable grace period,

other than, in each of the scenarios listed in (A) to (D) (inclusive) of this Condition 10(a)(iv), any Indebtedness for Borrowed Money which becomes prematurely due and payable or is placed on demand as a result of an event of illegality (howsoever described) under the document relating to that Indebtedness for Borrowed Money provided that such Indebtedness for Borrowed Money is paid in full within five Business Days of becoming due and payable or a demand for payment being made after such Indebtedness for Borrowed Money is placed on demand) and provided further that the amount of Indebtedness for Borrowed Money referred to in (A) and/or (B) and/or (C) and/or (D) above individually or in the aggregate exceeds £25,000,000 (or its equivalent in any other currency or currencies); or

- (v) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries, save in the case of a Principal Subsidiary only, for the purposes of a solvent reorganisation, reconstruction or amalgamation or, in the case of ICAP only, for the purposes of a Newco Scheme; or
- (vi) the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries ceases to carry on the whole or a substantial part of its business, save, in the case of a Principal Subsidiary only, (i) for the purposes of a solvent reorganisation, reconstruction or amalgamation or (ii) where such cessation arises as a result of a sale of its assets at a fair market value and on an arm's length basis, or the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries stops payment of, or is unable to, or admits inability to, pay, all of its debts (or any class of its debts) as they fall due, or is deemed unable to pay all of its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vii) (A) proceedings are initiated against the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged or stayed within 60 days; or
- (viii) the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (ix) in the case of Senior Notes issued by ICAP only, the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force in effect, other than pursuant to the provisions of Condition 3(c).

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

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor (if applicable) unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

### (b) Definitions

For the purposes of the Conditions:

**Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit but excluding, in all cases, (i) any indebtedness owed by one member of the Group to another member of the Group and (ii) any borrowings arising in the normal course of business as a result of delays arising in the clearing and settlement of commercial brokerage transactions, subject to any such commercial brokerage transaction not having been outstanding for a period exceeding 10 business days from (and including) the original settlement date in respect of such commercial brokerage transaction; and

**Newco Scheme** means a scheme of arrangement which effects the interposition of a limited liability company (Newco) between the shareholders of ICAP immediately prior to the scheme of arrangement (the Existing Shareholders) and ICAP, provided that only ordinary shares of Newco are issued to Existing Shareholders and that immediately after completion of the scheme of arrangement, the only shareholders of Newco are the Existing Shareholders and that all Subsidiaries of ICAP immediately prior to the scheme of arrangement (other than Newco, if Newco is then a Subsidiary of ICAP) are Subsidiaries of ICAP (or of Newco) immediately after the scheme of arrangement.

### (c) Events of Default relating to Dated Subordinated Notes

This Condition 10(c) shall apply only to Dated Subordinated Notes and references to Notes, Noteholders, Coupons, Couponholders, Receipts and Receiptholders shall be construed accordingly.

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

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 or more days in the case of principal and 14 or more days in the case of interest; or
- (ii) the winding-up or dissolution of the Issuer is commenced (other than a winding-up or dissolution which has been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders).

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

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

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

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

### **11. Replacement of Notes, Receipts, Coupons and Talons**

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

### **12. Agents**

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

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

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City;

- (d) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other 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
- (e) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the United Kingdom.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

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

### 13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### 14. Notices

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

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority, such notice will be published in a manner which complies with the rules of that stock exchange or relevant authority.

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

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case

of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

### **15. Meetings of Noteholders, Modification, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor (if applicable) or the Trustee or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification, waiver, authorisation or determination and any substitution as referred to below shall be binding on the Noteholders, the Receiptholders and the Couponholders and (unless the Trustee otherwise agrees) any such modification, waiver, authorisation, determination or substitution shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor (if applicable), the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the

principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Trust Deed being complied with. Any substitution of the Issuer in accordance with the provisions of this Condition 15 and the relevant provisions of the Trust Deed shall not constitute an Event of Default.

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

### **16. Indemnification of the Trustee and Trustee Contracting with, *inter alios*, ICAP and IGHP**

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

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

### **17. Further Issues**

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

### **18. Contracts (Rights of Third Parties) Act 1999**

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

### **19. Governing Law**

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons (and any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, English law.

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## Use of Proceeds

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

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## Description of the Obligors

### Introduction

ICAP, through its subsidiaries, provides intermediary broking services to the global wholesale financial markets where it acts as an interdealer broker (IDB), essentially matching buyers and sellers in the global financial markets, and provides a source of global market information and financial markets commentary. The Group intermediates an average daily transaction volume in excess of \$2.3 trillion on behalf of its customers, more than 40% of which is executed on the Group's electronic platforms. The Group's businesses are broadly distributed across more than 50 countries worldwide and it employs in excess of 4,300 staff.

ICAP was incorporated and registered in England and Wales on 3 August 1998 as a public limited company under the Companies Act 1985 with registered number 03611426 and name CAPITALRETURN plc. On 5 August 1998 it changed its name to Garban plc, which was subsequently demerged from United Business Media plc (UBM). Exco plc acquired the wholesale broking operations of IPGL Limited by means of a reverse take-over in October 1998 and changed its name to Intercapital plc. In 1999 Garban plc merged with Intercapital plc and changed its name to Garban-Intercapital plc on 9 September 1999. On 25 July 2001 it changed its name to ICAP plc.

ICAP Group Holdings plc (IGHP) was registered in England and Wales on 10 September 2008 as a private limited company under the Companies Act 1985 with registered number 6694512 and subsequently changed its status to a public limited company on 29 June 2009. IGHP is a 100%<sup>1</sup> subsidiary of ICAP and during December 2008, acquired by way of a share for share exchange ICAP's investments in a number of operating subsidiaries which together represent the majority of the Group's consolidated EBITDA (an abbreviated group structure chart is set out on page 81). Following these acquisitions IGHP reorganised its capital, cancelling its share premium account and subsequently declaring and paying a dividend of £500 million to ICAP on 31 March 2009. The cancellation of the share premium account was confirmed by an order of the High Court on 18 February 2009. At 31 March 2009, the company had paid-up ordinary share capital of £200 million, consisting of 200 million shares of £1 each, and £3,512 million of retained earnings.

The Group's head office, together with the registered office of ICAP and IGHP, is 2 Broadgate, London EC2M 7UR, telephone number +44 (0) 20 7000 5000.

### Activities

The Group's business involves the provision of specialist broking services to trading professionals in the global wholesale financial markets across a broad range of over the counter (OTC) and exchange listed financial products and services in commodities (including shipping), FX, interest rates, debt, credit and equity markets and also provides its customer base with access to post-trade services, data and market commentary. The Group strives to add value to its customers by (i) improving price discovery and transparency, (ii) providing, where applicable, anonymity and confidentiality, (iii) facilitating information flow, and (iv) enhancing liquidity.

The Group has successfully built its voice broking business whilst at the same time establishing the largest electronic broking network in its industry. This network is highly scalable and offers connectivity to over 7,400 workstations and 1,500 algorithmic trading systems worldwide. The Group has been at the forefront of the industry's move to electronic broking platforms, with the operational leverage and operating margin benefits this provides. In many markets that have moved to an electronic trading platform, trading has concentrated on two or three Inter-Dealer Brokers, thereby benefiting the larger players in the industry who have the scale and infrastructure to compete.

The last 12 months has seen increased focus by global regulatory authorities to ensure that the infrastructure behind the OTC markets is robust. Through the provision of post-trade processing, portfolio compression and reconciliation and risk management services, through its subsidiaries Traiana Inc. (**Traiana**) and Reset PTE Limited (**Reset**) and associate TriOptima AB (**TriOptima**), the Group is well positioned to respond to its

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<sup>1</sup> A single £1 ordinary share of IGHP is owned by Intercapital Limited, with the remaining 200,000,000 shares owned by ICAP plc.

## Description of the Obligors

customers' demands, to improve the efficiency of post-trade processing and reduce the capital allocated to existing positions.

As an IDB, the Group provides brokerage services to its customers primarily in the form of agency transactions (also known as "name give-up"), matched principal transactions or as an executing broker on an exchange. In name give-up transactions, the Group connects buyers and sellers and may assist in the negotiation of the price and other material terms of the transaction. At the point at which the parties agree to terms, the Group leaves the buyer and the seller to clear and settle directly with one another through the appropriate market mechanism.

Where the Group acts as an executing broker, either via its own membership or via a third party, in relation to exchange traded products, the Group executes customer orders on an exchange, which are subsequently given up in line with market practice to the customer's account maintained by a clearing broker. In the event that the clearing broker fails to take up the position traded, this could leave the Group with a position which would then be liquidated in accordance with its policy.

In matched principal transactions, the Group acts as an intermediary by serving as counterparty for identified buyers and sellers in matching, in whole or in part, reciprocal back-to-back trades. In order to facilitate customer transactions and provide liquidity, the Group may participate in certain marketplaces by posting quotations. Sometimes, the act of posting quotations may result in having the Group act as principal on unmatched trades. In such a situation, the Group's policy is to liquidate or hedge and liquidate these principal positions as soon as reasonably practicable. Only a very small proportion of the Group's transactions result in any exposure to market risk and compliance with the Group's policies is monitored by the risk and compliance functions and by senior management. The Group does not include proprietary trading businesses.

The Group serves a number of different product markets across the Americas, Europe and Asia Pacific regions: these include Interest Rates, Credit, Energy, Foreign Exchange, Equities, Emerging Markets and Information services. The breakdown of the Group's revenues by Market and operating profits by Region and Division is set out below.

<b>Market</b>	<b>Revenue (£m) (as at 31 March 2009)</b>	<b>Revenue (£m) (as at 31 March 2008)</b>
Interest Rates . . . . .	654	546
Foreign Exchange . . . . .	215	197
Credit . . . . .	194	159
Emerging Markets . . . . .	125	123
Equities . . . . .	202	108
Commodities . . . . .	159	131
Information . . . . .	52	40
<b>Total</b> . . . . .	<b>1,601</b>	<b>1,304</b>
	<b>Operating Profit* (£m) (as at 31 March 2009)</b>	<b>Operating Profit* (£m) (as at 31 March 2008)</b>
<b>Region</b>		
Europe . . . . .	173	167
Americas . . . . .	138	129
Asia Pacific . . . . .	50	36
<b>Total</b> . . . . .	<b>361</b>	<b>332</b>
	<b>Operating Profit* (£m) (as at 31 March 2009)</b>	<b>Operating Profit* (£m) (as at 31 March 2008)</b>
<b>Division</b>		
Voice . . . . .	212	203
Electronic . . . . .	126	107
Information . . . . .	23	22
<b>Total</b> . . . . .	<b>361</b>	<b>332</b>

\* Excludes amortisation and impairment of intangibles arising on consolidation and exceptional items.

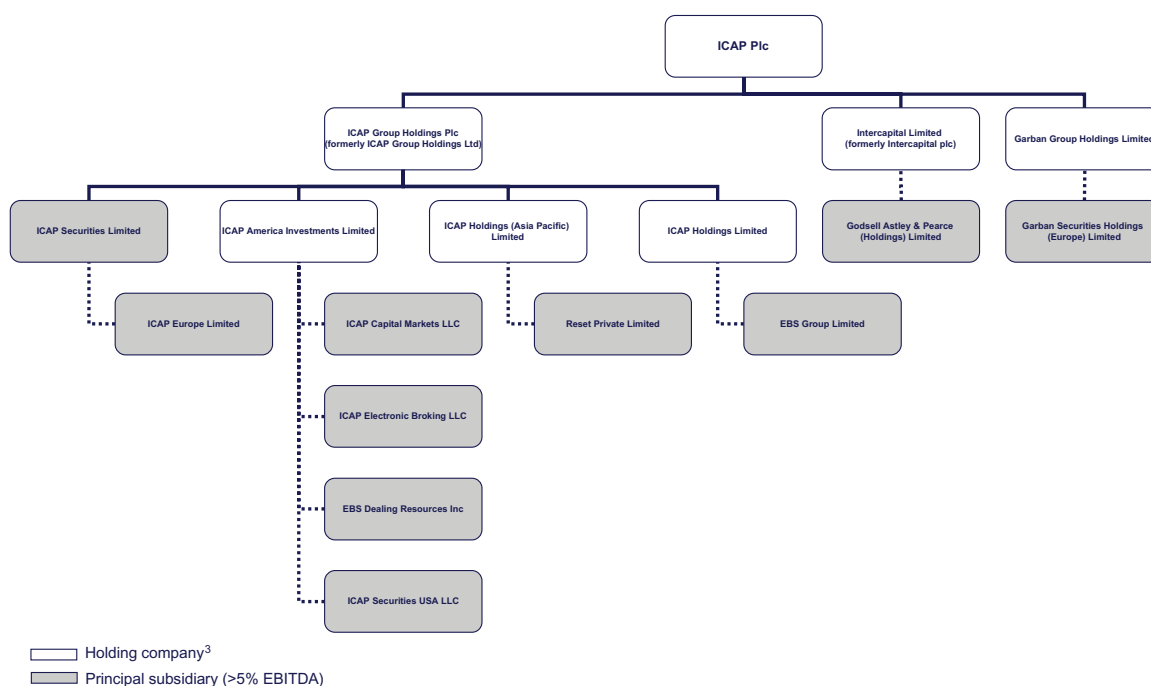
## Description of the Obligors

As with all businesses, risk is inherent in the Group's businesses and the effective identification, monitoring and management of risk are seen as essential factors in the Group's overall performance. The business model, in which the Group does not deliberately or systematically expose itself to material market risk, exposes the Group to limited market risk and as a result of the Group's highly diversified customer base (which includes the world's leading commercial and investment banks), credit risk can also be viewed as low.

The ordinary share capital of ICAP is traded on the London Stock Exchange and ICAP had a market capitalisation of approximately £2.8 billion, as of 25 June 2009. ICAP owns 100%<sup>1</sup> of the ordinary share capital of IGHP. ICAP joined the FTSE 100 index on 30 June 2006.

## Group Structure

The Group operates globally through several hundred subsidiaries, of which the principal subsidiaries (those who contributed more than 5% of Group EBITDA during the year ended 31 March 2009) are set out in the abbreviated organisation chart below<sup>2</sup>.



IGHP was incorporated on 10 September 2008 as a wholly owned subsidiary of ICAP and during December 2008, acquired ICAP's investments in ICAP Securities Limited, ICAP Holdings Limited, ICAP (Asia Pacific) Holdings Limited and ICAP America Investments Limited at fair value through a share for share exchange. The entities transferred to IGHP own directly or indirectly the majority of the Group's trading subsidiaries in the United Kingdom and North America, together with certain electronic and post-trade businesses, and on a pro-forma basis (after making appropriate adjustments to reflect the position had IGHP owned each of the subsidiaries since 1 April 2008) account for the majority of the Group's EBITDA as at 31 March 2009. Intercapital Limited (formerly Intercapital plc) and Garban Group Holdings Limited continue to be held directly by ICAP and own a number of the Group's smaller brokerage businesses in Europe, the Middle East and Africa (EMEA), Asia Pacific and Latin America. As part of on-going efforts to simplify the Group structure, it is planned to transfer ownership of these assets in due course to IGHP.

<sup>1</sup> A single £1 ordinary share of IGHP is owned by Intercapital Limited, with the remaining 200,000,000 shares owned by ICAP plc.

<sup>2</sup> The organisational chart set out above is not complete and displays only the principal subsidiaries of the Issuers and their ultimate holding companies. Dotted lines indicate indirect subsidiary relationships.

<sup>3</sup> Godsell Astley & Pearce (Holdings) Limited and Garban Securities Holdings (Europe) Limited are holding companies, but have been represented as principal subsidiaries for the year ended 31 March 2009 as a result of gains arising on the sale of certain subsidiaries to other members of the Group.

## Description of the Obligors

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At 31 March 2009, the Group employed more than 4,300 staff worldwide; with more than 2,300 broking staff, and 630 in the development and delivery of electronic broking systems. The Group is broadly distributed across 50 countries with a strong presence in each of the three major financial markets; London, New York and Tokyo. At 31 March 2009, in excess of 1,800 members of staff were employed in EMEA, over 1,700 in Americas and the remainder in Asia Pacific.

## Capital Structure

The Group seeks to ensure that it has constant access, even in periods of corporate or market turmoil, to an appropriate level of cash, other forms of marketable securities and committed funding lines to enable it to finance its ongoing operations, proposed acquisitions and other contingencies on cost-effective terms.

To provide protection against unexpected events the Group has traditionally maintained minimum core liquidity, in the form of cash and undrawn debt facilities, of £75 million, and while the Group has never accessed this liquidity pool, the combination of more volatile markets, increased uncertainty surrounding the impact of volatility on clearers' margin requirements and tightening liquidity supply, prompted the Group to increase this headroom to £150 million in May 2008 through the addition of a new £75 million committed revolving credit facility.

At 31 March 2009, the Group was financed through a combination of \$193 million, guaranteed subordinated loan notes issued to US private placement investors and due 2015, approximately £750m of core committed credit facilities, namely a £473 million revolving credit facility dated 7 March 2008 and related \$93.65 million swingline facility, a £135 million term loan dated 17 November 2008 and a £75 million revolving credit facility dated 19 December 2008, along with a number of small operational lines which are short-term in nature, uncommitted and used by the Group's trading subsidiaries for local settlement and working capital purposes.

As part of its efforts to simplify its corporate structure, the Group plans to use IGHP as its principal vehicle for corporate treasury transactions including bank borrowings and foreign exchange and interest rate risk management. Pursuant to this strategy, on 31 March 2009 ICAP novated its obligations under the Group's core committed bank facilities to IGHP and during April and May 2009 a number of the Group's outstanding transactional foreign exchange hedges have also been novated to IGHP from Intercapital Limited (formerly Intercapital plc). At 31 March 2009, IGHP had £412 million of outstanding borrowings under the core bank facilities and had access to a further £336 million of committed funding.

Intercapital Limited remains as the issuer of the Group's \$193 million guaranteed subordinated loan notes due 2015. Intercapital's obligations in respect of the loan notes are guaranteed on a subordinated basis by ICAP.

On 27 March 2009, ICAP put in place a £500m Euro Commercial Paper programme to provide access to short-term liquidity as an alternative mechanism to finance the Group's working capital and margin requirements. At 31 March 2009 the programme was undrawn. It is planned to extend this programme to enable IGHP to also issue commercial paper.

Both ICAP and IGHP are rated by Fitch Ratings Limited and Moody's Investor Services Inc. At 25 June 2009, the long-term ratings for Senior Notes to be issued by both entities under the Programme were BBB+ / Baa2 respectively.

## Group Strategy

The Group's vision is to create a global exchange for OTC financial products and to build a global brand in financial services. The Group aims to have at least a 35% share of overall inter-dealer market revenues and generate 50% of its profits from electronic broking. These are goals which the Group has pursued through a mix of organic growth, product innovation, continued migration of product from voice to electronic, selective acquisitions and further geographical diversification into emerging markets and new sectors.

Significant steps have been taken towards implementing this strategy over the last two years, most notably:

- The Group has identified a number of key markets notably emerging markets, credit, cash equities and equity derivatives and commodities including shipping that it believes have greater structural growth potential for the next three to five years. Over the last twelve months it has focused and continues to focus both existing and new resources to expand its voice franchise in these areas,

increasingly diversifying its revenue base. During the financial year ended 31 March 2009, the proportion of the Group's revenue derived from businesses acquired or started in the previous three years increased to 28% up from 20% in the previous year. However, as EBS and Reset will no longer be in this category going forward, we expect the percentage contribution to decline in the financial year to 31 March 2010.

- The demands for improvements in the efficiency of post-trade processing and for reductions in the capital allocated to existing positions are providing significant opportunities for the Group to expand its range of post-trade processing and risk management services. The acquisition of Traiana during December 2007, for consideration of \$247 million, builds on the Group's existing investments in TriOptima in 2001 and Reset in 2006.

Traiana provides global banks, broker/dealers, buy-side firms and e-trading platforms with straight through processing automation for post-trade processes in OTC markets. Traiana's Harmony network is used by over 50 of the world's leading financial market participants and has become the market standard for post-trade processing of foreign exchange transactions. The company has expanded its product offering beyond foreign exchange into other asset classes and in April 2009 announced a new joint venture with CLS Group. The new business addresses the back office burden created by the rapid increase of foreign exchange trading volumes by a widening group of hedge funds, algorithmic traders and retail and institutional market participants. It will provide trade aggregation services to reduce operational risk, rationalise and consolidate legacy post-trade processes and reduce post-trade costs.

- The acquisition of Link Asset and Securities Co Ltd (**Link**) in April 2008 for £135 million in cash and potential further deferred consideration not exceeding £115 million payable in 2010. The acquisition of Link combines the Group's existing equity derivative capability with Link's strength in index and single stock derivatives to create a market leading equity derivative franchise. The combined business operates from offices in New York, London, Hong Kong and Tokyo.
- During 2008, ICAP identified the opportunity to extend its existing OTC franchise to provide customers with a global, non-conflicted, agency only cash equity broker. The business expands upon the Group's existing strength in OTC broking and, through electronic connectivity to multiple exchanges, is able to provide customers with access to significant pools of liquidity and rapid execution, which by executing on a matched principal basis ensures that its customers' anonymity and trading strategies are protected. During the year ended 31 March 2009, the Group hired 76 staff in this area across EMEA, the Americas and Asia Pacific including teams focused on electronic execution and block crossing. Further investment in this area is expected to increase both geographical penetration and the range of products offered.
- Diversification into transportation with the acquisition of JE Hyde & Co Limited (**JE Hyde**) (now ICAP Hyde & Co Limited) during 2007 and more recently Capital Shipbrokers Ltd (**Capital Shipbrokers**) (January 2008) for combined consideration of around £37 million, which provides the Group with a strong platform to meet the demands of its existing customer base for both freight derivatives and also access to physical shipping in the form of charter and sale and purchase agreements.
- Innovation in terms of new product development with the establishment of a joint venture company owned equally with Jardine Lloyd Thompson Group plc, a leading insurance and reinsurance broking group, to operate in areas where the market for insurance, financial derivatives and securities are converging. Other new products include Patent Brokerage, a business designed to address the needs of buyers and sellers in the rapidly growing intellectual property marketplace and the Property Derivatives brokerage for derivative transactions based on the Residential Property Indices in the US, Europe and Asia. On 15 June 2009, the Group through a subsidiary of IGHP announced the acquisition of Ocean Tomo LLC's (**OT**) patent brokerage transaction business for a consideration of \$5 million in cash and a further \$5 million of ICAP common shares which will result in OT's private client and multi-lot intellectual property auction businesses being combined with ICAP's existing intellectual property franchise.
- Continued growth in emerging markets most notably in Brazil, where it has successfully established a home broker business and announced in November 2008 the acquisition of Arkhe, a leading independent broker. The Arkhe transaction is expected to close during the second quarter of 2009.

## Description of the Obligors

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The Group remains focused on delivering its strategic goals and will continue to expand its voice business in its chosen focus areas, notably emerging markets, credit, cash equities, equity derivatives and commodities including shipping, extend the product coverage on its electronic broking platforms and expand post-trade services. Delivering this strategy is expected to result in the continued redeployment of existing staff resources to new products and a mix of bolt-on and strategic acquisitions.

In considering its long-term capital structure, the Group's goal is to maintain an investment grade rating and pursuant to this goal will consider the use of deferred consideration, senior debt, equity or other hybrid instruments as appropriate to fund acquisitions. Many acquisitions have been made with an element of the consideration deferred, with payout only achieved if the acquired entity performs in line with or exceeds agreed financial targets. The Group views this as helping to mitigate the risk of acquisitions and serving to lock in the key personnel within the acquired entities.

The table below highlights the Group's significant acquisitions over the last seven years. The Group has also completed a number of smaller acquisitions during the same period.

### *Significant Acquisitions*

<b>Year</b>	<b>Company</b>	<b>Description</b>
2008	Link Asset and Securities Co Ltd	Global equity derivatives broker
2008	Capital Shipbrokers Ltd	Shipbroking and related services to the shipping industry
2007	Traiana Inc	Provider of automated post-trade processing services to financial institutions
2007	JE Hyde & Co Limited	Shipbroking and related services to the shipping industry
2006	EBS Group Limited	Provider of foreign exchange trading and market data solutions to the professional spot foreign exchange community
2006	Reset Pte Limited	Post-trade services – electronic matching of interest rate swaps
2005	United Fuels International, Inc.	US based energy and commodity broker
2003	BrokerTec (Europe & USA)	Electronic broker of fixed income securities
2002	APB (now ICAP Energy)	Energy and commodity broker in the US and Europe
2002	First Brokers Securities Inc.	New York IDB in US dollar denominated corporate debt

## **Divisions**

The Group's operations can be segmented on a divisional basis: Voice, Electronic and Information. Different products may be covered by one or more divisions, although as a general rule the more liquid and widely-traded the product the more suitable it is for being traded on an electronic platform.

### *Voice*

Voice broking still remains the largest part of the Group's business, accounting for 59% of Operating Profit\* in the financial year ended 31 March 2009.

The voice division operates both in faster growing products, where innovation in the financial markets is creating many new opportunities and also in more mature, slower growing products where volumes are much higher and products are moving towards greater commoditisation and tighter bid-offer spreads. These more mature businesses are the ones that management expects to move to electronic broking in the future.

The commitment of both financial and intellectual capital to the OTC markets continues to provide a stimulating environment for financial products innovation. As new products emerge, voice brokers help to develop these nascent, illiquid markets, drawing together counterparties and developing new businesses. The Group has identified several key markets that it believes have greater structural growth potential for the next three to five years. It is on these "focus" areas that the Group is concentrating for the expansion of its voice broking business – emerging markets, credit, cash equities, equity derivatives, and commodities including shipping – increasingly diversifying its revenue base. The Group will continue to reallocate resources into these high growth areas.

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\* Excludes amortisation and impairment of intangibles arising on consolidation and exceptional items.

## Description of the Obligors

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The Group's voice broking division exhibited strong revenue growth during the financial year ended 31 March 2009, particularly in EMEA, as the dislocations in global financial markets and extreme volatility made the price discovery mechanism and the depth of the liquidity pools provided by its voice brokers more valuable. There has been a structural shift in the markets towards less complex financial products, with the focus of global trading moving to "plain vanilla" products. The Group's voice broking businesses benefited strongly from this shift; the traditional flow businesses – interest rate swaps, options, government bonds, FX and commodities – were the primary drivers of growth. The interest rate markets have been affected by historically low short-term interest rates, steep yield curves and a substantial increase in corporate and government bond issuance. Longer maturity interest rate products, such as swaps, have seen particularly strong growth, and spreads in general have widened. Corporate bonds reported a strong performance with spreads widening as a result of continued market uncertainty about companies' credit positions. This offset weaker volumes in the credit derivative market in Europe. In the Americas, the Group has seen a good revenue performance compared to previous periods.

Cash equities and equity derivatives continued to experience difficult conditions with growth in this market driven primarily by the Group's acquisition of equity derivatives broker Link and the development of its cash equities business. Equity derivatives was one of the businesses that the Group has identified as having strong structural growth potential and the acquisition of Link was an important further step in building its overall capability in the equity market.

Commodities had a record performance, particularly in the oil, natural gas and carbon emissions markets, and the Group has expanded into soft commodities such as sugar, grain, coffee, cocoa and other agricultural products.

In the emerging markets, the European business reported good growth through the year, however this was offset by softer markets in Asia.

Revenue per voice broker is a key performance indicator in this division and the Group's average annual revenue per broker rose 12% to £560,000 (2008 – £499,000).

At 31 March 2009, IGHP and its subsidiaries owned and operated each of the Group's voice brokerage businesses in the United Kingdom and North America with the exception of the Link Brokers Derivatives Corporation which continues to be owned by Intercapital Limited. The Group's remaining voice brokerage subsidiaries located in Asia Pacific, Latin and Central America and EMEA (excluding the United Kingdom, Norway and the Netherlands) were owned by Intercapital Limited and Garban Group Holdings Limited.

### *Electronic*

The Electronic division which encompasses the Group's electronic broking and post-trade businesses now generates 35% of Group Operating Profit\*. The Group has a medium term target to increase the share of Operating Profit coming from electronic broking to 50% which will involve continued 'organic' migration of products from the Group's voice to electronic platforms, supported by acquisitions.

Despite seeing a short-term fallout from the dislocations in the credit markets as hedge funds deleveraged and bank proprietary trading was reduced, during the financial year ended 31 March 2009 the Group's electronic brokerage business performed well. Fixed income trading on the BrokerTec platform and foreign exchange (FX) on the EBS platform remain very strong and are well positioned to benefit from increased government and corporate bond issuance and currency volatility. Market share in both the spot FX and US Treasury markets has been retained and management believes that market participants have focused their trading activities on the ICAP platforms as the central source of liquidity in each market.

Average daily electronic broking volumes for the 12 months ended 31 March 2009 were \$736.4 billion, down 14% from the exceptionally high levels seen during the previous 12 months. From November 2008 onwards volumes in electronic broking began to slow from the very high levels of the prior year, but overall have stabilised since then. Average daily volume in fixed income products (US Treasury products, US repo and EU repo) for the first three months of 2009 was \$406.6 billion and average daily electronic broking volume on the EBS platform was \$149.9 billion.

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\* Excludes amortisation and impairment of intangibles arising on consolidation and exceptional items.

## Description of the Obligors

The Group has adopted a culture of working in partnership with its customers. As a part of this partnership the Group believes that there are many business opportunities in streamlining post-trade services for its customer banks to help them handle the enormous increase in recent years of trading volumes in many asset classes. Improving the efficiency of the whole process allows volumes to increase while minimising risk and reducing costs to all market participants. To address these issues, the Group has made a number of investments in post-trade services in recent years, including TriOptima in 2001 and Reset in 2006. In December 2007 the Group acquired Traiana to provide global banks, broker/dealers, buy-side firms and e-trading platforms with solutions to automate the post-trade processing of financial transactions.

TriOptima, the leading provider of portfolio compression and reconciliation services, has been at the forefront of the reduction of risk in the credit default swap (CDS) and interest rate swap market. In 2008 TriOptima's portfolio compression service, TriReduce, eliminated \$30.2 trillion of CDS contracts. In the first three months of 2009, TriOptima eliminated a further \$5.5 trillion in CDS contracts.

At 31 March 2009, the Group's electronic businesses were wholly owned by IGHP and its subsidiaries.

### Information

The Group is a source of market information, research and commentary for professionals in the global financial markets. ICAP Information Services offers real-time, end-of-day and historic market data sourced from our global interdealer broking platforms and post-trade businesses, providing authoritative and comprehensive market information across a broad range of asset classes. A significant part of the revenue of this division is generated from the Group's electronic broking business. During the financial year ended 31 March 2009 there has been significant investment in the information division's systems and processes to improve the efficiency and breadth of its offering, resulting in reduced operating profit margins.

Throughout the financial year to 31 March 2009, the division has continued to expand its offering, expanding its data distribution relationship with Thomson Reuters by offering data including EBS Ticker data, historical data and real-time content. In 2008 ICAP also signed an agreement integrating ICAP market data into the Xinhua product and service offering. Xinhua is the People's Republic of China's largest news and information provider.

The Information division accounted for 3% of the Group's revenues and 6% of Operating Profits\* in the financial year ended 31 March 2009.

At 31 March 2009, the Group's information businesses were owned by IGHP and its subsidiaries.

## Geographies

The Group has established operations in EMEA, the Americas, and Asia Pacific. EMEA is the Group's largest revenue and operating profit contributor and also enjoys the highest operating margins.

### EMEA

	Financial year ended 31 March 2009	Financial year ended 31 March 2008
Revenues (£m) . . . . .	729	610
% of Group Revenues . . . . .	46	47
Operating Profit* (£m) . . . . .	173	167
% of Group Operating Profit* . . . . .	48	50
Operating Profit* Margin (%) . . . . .	24	27

The Group's EMEA operations are concentrated in London, with a smaller local presence in all the regional centres including Amsterdam, Bahrain, Bergen, Copenhagen, Frankfurt, Johannesburg, Madrid, Warsaw and Paris.

During the financial year ended 31 March 2009, EMEA was once again ICAP's most profitable market with the highest operating profit\* margin. The region delivered a very strong performance driven primarily by interest rates, equities and commodities.

\* Excludes amortisation and impairment of intangibles arising on consolidation and exceptional items.

## Description of the Obligors

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The Group's EMEA operations in London, Madrid, Bergen and Amsterdam are owned under IGHP. Ownership of the smaller brokerage operations in Bahrain, Copenhagen, Frankfurt, Johannesburg, Warsaw and Paris remains under Intercapital Limited and Garban Group Holdings Limited.

### Americas

	Financial year ended 31 March 2009	Financial year ended 31 March 2008
Revenues (£m) .....	644	528
% of Group Revenues .....	40	41
Operating Profit* (£m) .....	138	129
% of Group Operating Profit* .....	38	39
Operating Profit* Margin (%) .....	21	24

The Group's Americas operations, are concentrated in New Jersey with a smaller local presence in regional centres including Argentina, Brazil, Canada, Chile, Columbia, Ecuador and Mexico. The Group's operations outside of North America are owned by Intercapital Limited and Garban Group Holdings Limited.

### Asia Pacific

	Financial year ended 31 March 2009	Financial year ended 31 March 2008
Revenues (£m) .....	228	166
% of Group Revenues .....	14	13
Operating Profit* (£m) .....	50	36
% of Group Operating Profit* .....	14	11
Operating Profit* Margin (%) .....	22	22

The Group's Asia Pacific operations are spread across 9 different countries, with four offices in the larger financial centres of Tokyo, Singapore, Hong Kong and Sydney. The Group operates in both the local markets and the Asian and Australasian markets for products denominated in G7 currencies covering foreign exchange, interest rates, credit, energy and equity derivatives. The Group has a significant electronic broking business in Asia, primarily in foreign exchange and interest rate products.

With the exception of Reset and EBS, the Group's Asian Pacific businesses were owned and operated by subsidiaries of Intercapital Limited and Garban Group Holdings Limited at 31 March 2009.

## Products

### Interest Rates

The Group is a leading global broker in a wide range of interest rate products, with this product group accounting for 41% of the Group's revenues in the financial year ended 31 March 2009. The Group's key interest rate products are: forward rate agreements, interest rate swaps, interest rate options, listed futures, government bonds, repos, agency securities and mortgage backed securities. These products can be transacted on a name give-up basis, as an executing broker on exchange (and subsequently submitted for clearing) or on a matched principal basis. Eurobonds, government and agency bonds and certain repos in US bonds are transacted on a matched principal basis. Products are supported by "straight through processing" post-trade services, which provide customers with enhanced balance sheet management.

### Credit

The Group is a global leader in trading technology and solutions for a broad range of credit products and derivatives. This product group accounted for 12% of the Group's revenues in the year ended 31 March 2009. The key products in this group are corporate bonds/eurobonds and credit derivatives, of which only corporate bonds are traded on a matched principal basis.

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\* Excludes amortisation and impairment of intangibles arising on consolidation and exceptional items.

## Description of the Obligors

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### *Commodities*

The Group is a leading broker in energy and commodities. It has operations in London, Amsterdam, Bergen, Madrid, Singapore, Sydney and North America. This product group accounted for 10% of the Group's revenues in the financial year ended 31 March 2009. Some of the key products are crude oil and refined products, emissions, precious metals, coal, electricity, gas, soft commodities, base metals and shipping.

During 2008, the Group became a Category Two member of the London Metals Exchange through which it offers customers clearing and execution services in the wholesale base metals market place.

In May 2007, after a successful joint venture in freight derivatives, ICAP acquired J E Hyde, one of London's oldest shipbrokers. This was followed by the acquisition of Capital Shipbrokers in 2008 and the formation of ICAP Shipping. Offering a spectrum of shipping services, including dry and wet cargo chartering, sale and purchase, freight derivatives, research and operations. ICAP Shipping operates out of London, Copenhagen, Gibraltar, Hamburg, Shanghai, Singapore, Athens and Stamford Connecticut.

### *Foreign Exchange*

The Group provides voice and electronic broking services in spot and forward foreign exchange to its international customer base. This product group accounted for 13% of the Group's revenues in the financial year ended 31 March 2009. The products offered by this group are: spot FX, forward FX, non deliverable forward and FX Options, all of which are transacted on a name give-up basis.

The EBS platform is one of the Group's key flow businesses and as such has benefited from the high levels of volatility exhibited during the last twelve months. Average daily electronic spot FX volumes for the 12 months ended 31 March 2009 were \$193.1 billion with EBS gaining market share from smaller FX portals as the market consolidates and market participants seek a central pool of liquidity. In addition, the proportion of total volume accounted for by algorithmic trading increased to record levels. During the year ended 31 March 2009, ICAP also launched a new internet service offering access to EBS, leveraging the global architecture without the need for dedicated hardware, and increased access to the EBS platform by introducing a new premium connectivity service, i-Cross. i-Cross provides a high bandwidth, low latency connection to ICAP's EBS platform to customers trading spot FX in Europe and in the New York area.

### *Emerging Markets*

ICAP's emerging market teams in EMEA (in particular Eastern Europe, Russia and Turkey), the Americas and Asia Pacific cover a very broad range of products; including FX, interest rate products, and government and corporate bonds.

The Group's initial role in the emerging markets is often to link the interest from its larger customers in the main financial centres with the local banks in the emerging markets. In some markets, activity then expands more quickly in the emerging market and more deals are done between customers in that market. In other emerging markets trading is predominantly in the offshore market.

In Asia Pacific the Group has a well-developed network operating in 9 countries with more than 700 staff covering the markets. During late 2007 the Group launched, in partnership with China Foreign Exchange Trading System & National Interbank Funding Centre (CFETS), the Shanghai CFETS ICAP International Money Broking Co Ltd (CFETS ICAP), which provides voice broking services to the money, bond and derivative markets in both the Renminbi and international markets providing an opportunity to participate in the growth of the Chinese interbank market, potentially one of the largest in the world.

In Central and Latin America the Group has developed a network of offices, often in partnership with local exchanges, serving local markets in Chile, Ecuador, Mexico, Columbia, Argentina and Brazil. In November 2008 the Group announced that it had agreed to acquire Arkhe, a leading independent broker in Brazil. The acquisition of Arkhe is expected to complete in mid 2009.

In Africa, the Group successfully brokered bond transactions in several countries, including Nigeria, Kenya, Zambia and Mauritius, and is developing its business throughout Africa from its office in South Africa.

Emerging markets accounted for 8% of the Group's revenues in the year ended 31 March 2009 and remains a focus for further selective investments.

## Description of the Obligors

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### *Equities*

During the financial year to 31 March 2009, these products continued to experience difficult conditions and the Group's growth in this market was driven primarily by the acquisition in April 2008 of equity derivatives broker Link Asset and Securities Co Ltd, for an initial consideration of £135 million, and the development of the Group's cash equities business.

Equity derivatives was one of the businesses that the Group has identified as having strong structural growth potential and Link was an important further step in building the Group's overall capability in the equity market. This market has grown strongly in the past five to seven years as a result of the search for yield, the demand for absolute returns and the emergence of volatility as a traded asset class in its own right. The increased volatility in the global financial markets has benefited the Group as business is migrating from illiquid index, exotic, single stock and emerging markets options to the main European index products in which the Group's Link business is particularly strong.

In cash equities the Group has started building a global, non-conflicted, agency only, cash equity broker from its offices in New York, London and Hong Kong, hiring, during the year to 31 March 2009, 76 staff including teams focused on electronic execution and block crossing. Over the next few years the Group expects to use its resources in terms of both brokers and technology to build a substantial global business.

In some parts of its business, the Group, acting as an IDB, engages in structured equity transactions developed by its highly-rated counterparties, which involve various instruments. The Group undertakes substantial tax, legal and regulatory due diligence before entering these transactions. These transactions are fully matched and do not involve the Group taking proprietary positions.

Equities accounted for 13% of the Group's revenues in the financial year ended 31 March 2009, and the Group's aim is for this to grow significantly in future years.

## **The Board and Management**

ICAP is headed by an experienced board of directors consisting of a non-executive Chairman, Group Chief Executive Officer, three further executive directors and four non-executive directors. The board's responsibilities include the Group's long-term objectives and commercial strategy, acquisition, and major investments as well as overseeing the Group's overall risk management and controlling and compliance functions. Risk management is a fundamental part of the Group's business approach. The Group is committed to maintaining a strong control environment, both geographically and across product lines.

<b>Name</b>	<b>Position</b>
<b>The Board of Directors – ICAP</b>	
Charles Gregson	Non-executive Chairman
Michael Spencer	Group Chief Executive Officer
Mark Yallop	Group Chief Operating Officer
Matthew Lester	Group Finance Director
John Nixon	Director and Chief Executive Officer, Electronic Broking
Nicholas Cosh	Independent non-executive director
James McNulty	Independent non-executive director
William Nabarro	Independent non-executive director
David Puth	Independent non-executive director
<b>Global Executive Management Group</b>	
Kim Rosenkilde	Chief Executive Officer, Asia Pacific
David Casterton	Chief Executive Officer, London and EMEA
Ron Purpora	President, North American Securities Businesses
Douglas Rhoten	Chief Executive, North America
Stephen McDermott	Chief Operating Officer, Americas
David Rutter	Deputy Chief Executive Officer, Electronic Broking

## Description of the Obligors

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### *The Board of Directors – ICAP*

**Charles Gregson** is non-executive Chairman. He was appointed on 1 August 2001 having been executive Chairman since 6 August 1998. Between 1978 and 1998, he was responsible for the Garban businesses that demerged from UBM and later merged with Intercapital. He is Chairman of PR Newswire Association Inc and has served on the board of United Business Media plc. In addition, he is a non-executive director of International Personal Finance plc.

**Michael Spencer** is Group Chief Executive Officer. He was the founder of Intercapital in 1986 and became Chairman and Chief Executive of Intercapital in October 1998, following the Exco/Intercapital merger. As at 1 June 2009, he is deemed, with IPGL and its subsidiary INFBV, to have an interest of 19.08% in ICAP. IPGL's other interests include City Index Limited and investments in a variety of other financial services companies. Michael Spencer was non-executive Chairman of Numis Corporation plc from April 2003 until his resignation in May 2009. In February 2007, he was appointed the Conservative Party Treasurer.

**Mark Yallop**, Group Chief Operating Officer. He was appointed on 13 July 2005 and is chairman of the group risk committee. He had previously been Group Chief Operating Officer of Deutsche Bank Group, following many years' involvement in trading in the derivatives, foreign exchange and cash markets. He was also a director of ISDA from 1996 to 1998. Mark was appointed as a director of IGHP on 23 February 2009.

**Matthew Lester**, Group Finance Director. He was appointed on 13 September 2006 and is chairman of the finance committee. Previously he worked for Diageo plc in a number of senior finance roles, most recently as Group Financial Controller. He is a Chartered Accountant and a member of the main committee of The 100 Group of Finance Directors. Matthew was appointed as a director of IGHP on 23 February 2009.

**John Nixon** is Chief Executive Officer of ICAP Electronic Broking. He was appointed on 15 May 2008. In addition to electronic broking and ICAP's information business, he is responsible for strategic acquisitions. He has more than 30 years' experience in the interdealer broking industry. Prior to his full-time involvement with ICAP, he was a non-executive director of ICAP from 1998 to 2002. He was previously the Chief Executive Officer of Tullett and Tokyo Forex, now part of Tullett Prebon, where he worked from 1978 to 1997 in Toronto, London and New York.

**Nicholas Cosh**, independent non-executive director. He was appointed on 5 December 2000. He is a Chartered Accountant and is chairman of the audit committee. He was previously Chairman of Kiln Limited and a non-executive director of Hornby plc and Bradford & Bingley plc. From 1991 to 1997 he was Finance Director of JIB Group plc.

**James McNulty**, independent non-executive director. He was appointed a non-executive director on 30 March 2004 and is chairman of the remuneration committee. He has 30 years' experience in the global financial markets, including futures, securities, derivatives and foreign exchange. He is a director of NYSE Euronext. He was President and Chief Executive Officer of Chicago Mercantile Exchange Holdings Inc from its formation in August 2001 and Chicago Mercantile Exchange Inc from February 2000 until 1 January 2004. Before this he was managing director and co-head of the Corporate Analysis and Structuring Team in the Corporate Finance division of the investment banking firm now known as UBS.

**William Nabarro**, independent non-executive director. He was appointed on 28 October 1998 and is chairman of the nomination committee. He was appointed Executive Chairman of JLT Employee Benefits in January 2006 and joined the board of Jardine Lloyd Thompson Group plc as Commercial Director in April 2006. He was Vice Chairman of KPMG Corporate Finance between July 1999 and July 2003. Before joining KPMG he was a managing director of SG Hambros Corporate Finance. He joined Hambros Bank in 1978 and became head of its Corporate Finance Division in 1997.

**David Puth**, independent non-executive director. He was appointed on 15 November 2007. He is head of State Street's investment research, securities finance and trading activities worldwide. He is President of The Eriska Group and a director and senior advisor at J H Whitney Investment Management. He has 26 years' experience in fixed income, currency and commodities markets and began his career at Chemical Bank, now part of JPMorgan Chase. He was formerly managing director and a member of JPMorgan Chase's Executive Committee and JPMorgan Investment Bank Management Committee. He has served on the board of the Federal Reserve Foreign Exchange Committee and was a director of Chicago Mercantile Exchange Inc. He is on the board of the Robin Hood Foundation, a charity involved in fighting poverty in New York City.

## Description of the Obligors

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### *The Board of Directors – IGHP*

The Board of Directors of IGHP consists of four directors, Mark Yallop, Group Chief Operating Officer, Matthew Lester, Group Finance Director, Deborah Abrehart, Group Company Secretary and Iain Torrens, Group Financial Controller. Iain Torrens and Deborah Abrehart were appointed to the board of IGHP on 13 September 2008, and Matthew Lester and Mark Yallop were appointed on 23 February 2009.

**Iain Torrens**, Group Financial Controller – Iain joined the Group in December 2006 and was appointed Group Financial Controller on 1 July 2008. Reporting to Matthew Lester, Iain is responsible for the Group's corporate reporting and treasury functions. Iain was previously Deputy CFO and Treasurer of TSX / NYSE listed CP Ships Limited from 2002 to 2006 and prior to CP Ships Deputy Treasurer of LSE listed, Cookson Group plc. Iain is a Chartered Accountant, Chartered Secretary and associate member of the Association of Corporate Treasurers.

**Deborah Abrehart**, Group Company Secretary – Deborah joined the Group in January 2006 as Group Company Secretary of ICAP. Reporting to Matthew Lester, Deborah is responsible for the Group's secretarial, corporate governance and insurance functions. Deborah was previously Group Company Secretary of easyJet plc where she was responsible for flotation and the establishment of the company's secretarial function. Deborah is a Chartered Secretary.

### **Global Executive Management Group**

On a day to day basis the Group is managed globally by the Global Executive Management Group (GEMG) in accordance with delegated authorities approved by the Board. The GEMG consists of the four executive directors and six other senior managers who together represent the Group's voice and electronic platforms.

**Kim Rosenkilde** is Chief Executive Officer of Asia Pacific. He was appointed in September 2008 and with effect from 1 January 2009 has been responsible for all voice broking and support management in the region. Prior to joining ICAP in September 2008, Kim held a number of positions at ABN Amro, most recently as Chief Executive Officer and Country Executive Japan and Head of Global Markets, North America. He has 23 years of experience in fixed income and currency trading and risk management.

**David Casterton** is Chief Executive Officer of London and EMEA. He was appointed with effect from 1 June 2008. David has been with the Group for 13 years and has been responsible for the development of the Group's highly successful interest rate derivatives business. In his new role he will be responsible for all broking, technology and support functions in London and EMEA.

**Ron Purpora** is President of ICAP's North American Securities Businesses and President of First Brokers Securities, a subsidiary of ICAP. Within the industry he serves as a board member of the Depository Trust Clearing Corporation and a member of its HR/Compensation Committee. He is a director of the Securities Industry and Financial Markets Association's primary dealer committee.

**Douglas Rhoten** is Chief Executive Officer of ICAP North America. He is a director of SIF ICAP, ICAP's joint venture in Latin America. He is a founding member of The Green Exchange and former member of the US Federal Reserve Bank Foreign Exchange Committee.

**Stephen McDermott** is Chief Operating Officer of the Americas. He was, until March 2008, an executive director of ICAP. He has recently overseen the integration with EBS and the interface between the Group's voice and electronic broking businesses. He was appointed a director of the US Operations in December 1995 having joined the foreign exchange business of Garban plc in 1986. He is also a board member of Columbia University's Executive Masters of Science and Technology Management.

**David Rutter** is the Deputy Chief Executive Officer of ICAP Electronic Broking. Prior to joining ICAP he was a significant shareholder in Prebon. His tenure at Prebon began in 1988 and he served in various capacities including Global Chief Executive Officer of Prebon Energy and Managing Director of the Americas. He has served on several corporate boards of entities in the e-commerce field.

## Description of the Obligors

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The business address of each of the members of the Board of Directors of each of ICAP and IGHP and of the Executive Team is 2 Broadgate, London, EC2M 7UR. There are no potential conflicts of interest between any duties to ICAP, IGHP or the Group of any members of the Board of Directors of each of ICAP or IGHP or of any members of Executive Team and their private interests or other duties.

### Internal Control

The board of directors of the Issuer (the **Board**) is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The key elements of the internal control system are:

- the establishment of an organisational structure with clearly defined levels of authority and division of responsibility;
- a comprehensive budgetary process, with both annual and regular forecasts being considered and approved by the board;
- the formulation of policies and of approval procedures in key areas;
- monthly monitoring of trading results and periodic review of balance sheet and cash flow against budget and prior periods with significant variances being investigated and appropriate action taken;
- formulation and review of specific policy covering credit, market, operational and treasury risks faced by the business;
- regular visits to Group operating companies by board members and senior management;
- all transactions authorised in accordance with delegated authority limits approved by the Board;
- regular internal audit visits to Group operating companies to carry out reviews of systems and procedures and compliance with Group policies;
- accountability of senior management within each region for the establishment of appropriate control frameworks within their operations to ensure compliance with Group policies, procedures and standards. They are also responsible for ensuring that risks within their businesses are identified, assessed, controlled and monitored on an ongoing basis; and
- regular reports from both the external and internal auditors on the internal control systems operating within the Group.

The Board, through the audit committee, has conducted an annual review of the effectiveness of the system of internal control covering key controls including financial, operational and compliance controls and risk management systems.

The Group has investments in a number of joint ventures and associates. Where the Group is not directly involved in the management of the investment it can influence, through board representation, the internal control systems present in those entities. The Board's review of the effectiveness of the system of internal controls in those entities is consequently less comprehensive than in its directly owned subsidiaries.

## Description of the Obligors

### Principal Shareholders (as at 1 June 2009)

As at 1 June 2009, the Company had been notified of the following interests:

	Total interest in ordinary shares	Percentage of voting rights		
		Indirect %	Direct %	Total
Mr & Mrs M Spencer, together with				
INCAP Finance B.V* . . . . .	123,602,795	18.23	0.85	19.08
Newton Investment Management Limited . . . . .	51,483,526	7.95		7.95
Blackrock, Inc . . . . .	32,310,335		4.99	4.99
Schroders Plc . . . . .	32,243,080	4.98		4.98
AXA SA . . . . .	29,749,171	3.79	0.80	4.59

\* Mr and Mrs M Spencer own approximately 55.10% of IPGL Limited which in turn owns 100% of INCAP Finance BV. Accordingly, Mr and Mrs M Spencer are deemed to be interested in all the shares in ICAP plc held by INCAP Finance BV (118,069,560) respectively. A trust fund of which their children are beneficiaries holds a further 50,000 shares and 1,173,958 shares are held by Halifax EES Trustees International Limited as trustee of the ICAP Trust. The shares held in the ICAP Trust include basic awards to Michael Spencer under the Bonus Share Matching Plan (BSMP) and matching awards under the BSMP in respect of which there are no unsatisfied performance or continuity of employment conditions. Michael Spencer holds 4,309,277 shares in his own name.

IPGL has notified the Group that, as part of normal corporate borrowing facilities, a total of 123,420,724 ICAP plc ordinary shares registered in the name of INCAP Finance BV are included in a package of assets charged pursuant to a loan facility agreement dated 6 October 2008 between IPGL, INCAP Finance BV, certain other subsidiaries of IPGL and HSBC Bank Plc. The amount of shares charged has subsequently been reduced to 110,720,724 following the sale of 12,700,000 ICAP plc shares by INCAP Finance BV on 19 May 2009. IPGL has notified the Group that there is a further outstanding security over ICAP plc shares held by INCAP Finance BV in favour of Barclays Bank PLC over 7,348,836, pursuant to a financing arrangement structured as an equity swap transaction.

Mr M Spencer has notified the Group that security has been granted in favour of HSBC Private Bank (UK) Limited over 996,800 ICAP plc ordinary shares held by him personally.

A single £1 ordinary share of IGHP is owned by Intercapital Limited, with the remaining 200,000,000 shares owned by ICAP plc.

### Other Matters

#### Bonus Structure and Staff Compensation

The Group monitors the voice revenue per broker as the most relevant efficiency measure of its Voice division. In the financial year ended 31 March 2009, the Group's voice revenue per broker grew by 12% from £499,000 in the previous financial year to £560,000. The variable component of voice broker remuneration decreased slightly to 62% from 63% during the same period.

#### Pensions

The Group operates defined benefit pension schemes in the US and Germany only. In the case of the schemes operating in Germany, any future obligations that the Group may incur in respect of benefits accrued to members for past service are insured with local insurance companies. The scheme in Germany is not significant in the context of the Group. The US scheme was closed to new entrants on 1 July 1996 and no benefits have accrued to the members of the scheme in respect of their service after that date. The scheme only provides for pension benefits and does not provide for post-employment medical benefits. For the purposes of determining the Group's pension cost, the scheme is valued on an annual basis by qualified independent actuaries. The most recent valuation was as at 1 January 2008 with an update as at 31 March 2009 and used the projected unit method. The reported deficit was £2 million. The Group expects to contribute £0.5 million to its defined benefit pension scheme in the year ending 31 March 2010.

#### Legal Matters

The highly regulated nature of the Group's business means that from time to time the Group is subject to regulatory enquiries and investigations, particularly in the US. The Group is currently involved in a number of these. Some of these regulatory enquiries and investigations are broad and tend to be interdealer industry wide in nature.

In February 2006, in the US, the SEC issued a formal order of investigation to ICAP Securities USA LLC, a wholly-owned subsidiary of the Group and an indirect subsidiary of IGHP, and other interdealer brokers in government and other fixed income securities. In addition, the SEC has issued several requests for information

## Description of the Obligors

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relating to ICAP Securities USA LLC's voice mortgage-backed securities desk. The mortgage aspect of the investigation has been in progress since April 2008. ICAP Securities USA LLC continues to co-operate with the enquiry.

Although ICAP Securities USA LLC has not received notice of an intention by the SEC to bring any charges against ICAP Securities USA LLC or its executives, the potential range of penalties generally available to the SEC include, among other things, financial penalties, disgorgement, fines, actions against individuals, and injunctive and other remedial relief. Such matters are inherently subject to many uncertainties and the Group cannot predict their outcomes. However, there are no issues which are currently expected to have a material adverse financial impact on the Group's results or net assets.

In 2004, the National Australia Bank (NAB) announced that it incurred FX trading losses of AU\$360 million. NAB subsequently alleged, in correspondence sent to ICAP plc, that one of the Group's subsidiaries helped NAB traders mask these losses. The Group does not accept any responsibility for NAB's losses and has not received any correspondence from NAB since October 2006. The Group is not aware, as of the date of this Offering Circular, of any other pending or threatened litigation which management believes would reasonably be expected to have a material adverse effect on the Group's operations or its consolidated financial position.

### *Insurance*

The Group's company secretarial department is responsible for negotiating the Group's insurance cover through its broker Jardine Lloyd Thompson plc. Policies are structured on a global basis, written with reputable counterparties and are designed to protect the Group's assets, liabilities and earnings by providing cover for a range of risks customary for the industry. Global policies are supplemented in local markets by policies covering employers' liability, workmen's compensation, motor, personal accident, travel, bonds, uninsured loss recovery and other local requirements.

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## Book-Entry Clearance Systems

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Obligor, the Dealers, the Trustee and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### **Book-entry Systems**

#### *DTC*

DTC has advised the Obligor that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the relevant Issuer (or the Guarantor in the case of Senior Notes issued by ICAP), subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer (and the Guarantor in the case of Senior Notes issued by ICAP), disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Book-entry Ownership of and Payments in respect of DTC Notes**

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Obligors expect DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Obligors also expect that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar, the relevant Issuer, the Guarantor (if applicable) or the Trustee. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer and the Guarantor (if applicable).

### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated

account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Guarantor (if applicable), the Trustee, the Principal Paying Agent, the Registrar, any other party to this Agency Agreement and any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

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# Taxation

## **U.S. Taxation**

The applicable Final Terms relating to any Tranche of Notes, all or a portion of which are to be offered or sold to, or for the account or benefit of, a U.S. person will set forth information regarding the United States Federal income tax treatment of any such Notes. U.S. persons considering the purchase of Notes should consult their own tax advisers concerning the application of United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of Notes arising under the laws of any other taxing jurisdictions.

## **U.K. Taxation**

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Obligors' understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

## **Interest on the Notes**

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. Notes to be traded on a recognised stock exchange outside the United Kingdom will be treated as listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. Provided, therefore, that the Notes remain listed on a recognised stock exchange, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

## **Payments by Guarantor**

If the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20%) subject to such relief as may be available following

a direction by HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for the exemptions described above.

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

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined below.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above and reporting requirements as outlined below.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position does not consider the tax consequences of any substitution of the relevant Issuer as provided by Condition 15.

### **Provision of Information**

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. For these purposes, “interest” should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on the Notes. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2010. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

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

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## Subscription and Sale and Transfer and Selling Restrictions

The Dealers have, in an amended and restated programme agreement (the **Programme Agreement**) dated 30 June 2009, agreed with the Obligors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Obligors have agreed to reimburse the Dealers for certain of their expenses in connection with any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **Transfer Restrictions**

*As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.*

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs, it is not formed for the purpose of investing in the Notes and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will not do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 starting from the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, other than (a) to the relevant Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;
- (iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR

BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITIES REPRESENTED HEREBY ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR REALES OF THE SECURITY.

THE SECURITIES REPRESENTED HEREBY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY THE HOLDER OF THE SECURITIES REPRESENTED HEREBY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THE SECURITIES REPRESENTED HEREBY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

## Subscription and Sale and Transfer and Selling Restrictions

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(viii) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

### Selling Restrictions

#### *United States*

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be delivered, offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

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

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

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer or, in the case of Senior Notes issued by ICAP, IGHP is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, each of the Obligors has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

## Subscription and Sale and Transfer and Selling Restrictions

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

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

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

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

provided that no such offer of Notes referred to in (a) to (d) above shall require the relevant Issuer, the Guarantor (if applicable) or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

### *Selling Restrictions Addressing Additional United Kingdom Securities Laws*

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

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or, in the case of Senior Notes issued by ICAP, the Guarantor; and

## **Subscription and Sale and Transfer and Selling Restrictions**

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(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### *Japan*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the FIEA) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### *General*

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and any related offering materials and will obtain any consent, approval or permission required by it for the subscription for, purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such subscriptions, purchases, offers, sales or deliveries and none of the Obligors, the Trustee and any of the other Dealers shall have any responsibility therefor.

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

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

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## General Information

### Authorisation

The establishment and subsequent update of the Programme by ICAP has been duly authorised by resolutions of the Board of Directors of ICAP dated 15 May 2008 and 22 June 2009, and resolutions of a duly constituted committee of the Board of Directors of ICAP dated 13 June 2008 and 29 June 2009. The accession to the Programme by IGHP has been duly authorised by a resolution of the Board of Directors of IGHP dated 29 June 2009 and a resolution of a duly constituted committee of the Board of Directors of IGHP dated 29 June 2009.

### Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or about 2 July 2009.

### Documents Available

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

- (i) the Memorandum and Articles of Association of each of the Obligors;
- (ii) the audited consolidated financial statements of ICAP in respect of the financial years ended 31 March 2008 and 31 March 2009, in each case together with the audit reports prepared in connection therewith;
- (iii) the consolidated financial statements of IGHP in respect of the years ended (i) 31 March 2009 and (ii) 31 March 2008, together with the audit report prepared in connection with the year ended 31 March 2009;
- (iv) the most recently published audited annual financial statements of each of the Obligors and the most recently published unaudited interim financial statements of each of the Obligors, in each case together with any audit or review reports prepared in connection therewith;
- (v) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (vi) a copy of this Offering Circular; and
- (vii) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Obligor and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

## **General Information**

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The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041.

### **Conditions for determining price**

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

### **Significant or Material Change**

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

### **Litigation**

None of ICAP, IGHP and any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either ICAP or IGHP is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of ICAP, IGHP or the Group.

### **Auditors**

The auditors of the Obligors are PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, who have audited ICAP's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 31 March 2009 and who have audited IGHP's accounts in respect of the period from IGHP's date of incorporation (being 10 September 2008) until 31 March 2009. The auditors of the Obligors have no material interest in either ICAP or IGHP.

### **Post-issuance information**

Unless specified in the applicable Final Terms, neither ICAP nor IGHP intends to provide any post-issuance information in relation to any issue of Notes.

### **Dealers transacting with the Obligors**

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

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**ISSUER**

**ICAP plc**  
2 Broadgate  
London EC2M 7UR  
United Kingdom

**ISSUER AND, IN RESPECT OF SENIOR NOTES  
ISSUED BY ICAP plc, GUARANTOR**

**ICAP Group Holdings plc**  
2 Broadgate  
London EC2M 7UR  
United Kingdom

**TRUSTEE**

**BNY Corporate Trustee Services Limited**  
One Canada Square  
London E14 5AL  
United Kingdom

**PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR, EXCHANGE AGENT AND  
TRANSFER AGENT**

**The Bank of New York Mellon**  
101 Barclay Street  
New York  
NY 10286  
United States

**PAYING AGENT AND  
TRANSFER AGENT**

**The Bank of New York Mellon (Luxembourg) S.A.**  
Aerogolf Center  
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L-1736 Senningerberg  
Luxembourg

**LEGAL ADVISERS**

*To the Dealers and the Trustee as to English and  
United States law*

**Allen & Overy LLP**  
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London E1 6AD  
United Kingdom

*To the Obligors as to English and  
United States law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

**AUDITORS**

**PricewaterhouseCoopers LLP**  
1 Embankment Place  
London  
WC2 6RH  
United Kingdom

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**DEALERS**

**Citigroup Global Markets Limited**

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Canada Square  
London E14 5LB  
United Kingdom

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

**Lloyds TSB Bank plc**

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United Kingdom

**Commerzbank Aktiengesellschaft**

Kaiserplatz  
60261 Frankfurt am Main  
Germany

**J.P. Morgan Securities Ltd.**

125 London Wall  
London EC2Y 5AJ  
United Kingdom

**Merrill Lynch International**

Merrill Lynch Financial Centre  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom