

TERMS AND CONDITIONS OF THE SERIES B BONDS

THIS DOCUMENT IS NOT AN OFFER TO SELL SECURITIES OR THE SOLICITATION OF ANY OFFER TO BUY SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO THE UNITED STATES OF AMERICA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, OR IN OR INTO CANADA, JAPAN OR AUSTRALIA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW.

SOLELY FOR THE PURPOSES OF THE PRODUCT GOVERNANCE REQUIREMENTS CONTAINED WITHIN: (A) EU DIRECTIVE 2014/65/EU ON MARKETS IN FINANCIAL INSTRUMENTS, AS AMENDED (“MIFID II”); (B) ARTICLES 9 AND 10 OF COMMISSION DELEGATED DIRECTIVE (EU) 2017/593 SUPPLEMENTING MIFID II; AND (C) LOCAL IMPLEMENTING MEASURES (TOGETHER, THE “MIFID II PRODUCT GOVERNANCE REQUIREMENTS”), AND DISCLAIMING ALL AND ANY LIABILITY, WHETHER ARISING IN TORT, CONTRACT OR OTHERWISE, WHICH ANY “MANUFACTURER” (FOR THE PURPOSES OF THE MIFID II PRODUCT GOVERNANCE REQUIREMENTS) MAY OTHERWISE HAVE WITH RESPECT THERETO, THE BONDS HAVE BEEN SUBJECT TO A PRODUCT APPROVAL PROCESS, WHICH HAS DETERMINED THAT: (I) THE TARGET MARKET FOR THE BONDS IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE BONDS TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE BONDS (A “DISTRIBUTOR”) SHOULD TAKE INTO CONSIDERATION EACH MANUFACTURERS’ TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS (BY EITHER ADOPTING OR REFINING EACH MANUFACTURERS’ TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL OR LEGAL SELLING RESTRICTIONS IN RELATION TO THE BONDS.

FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE BONDS.

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (“EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

The following (excluding italicised paragraphs) are the terms and conditions of the Bonds which will be endorsed on the Certificates relating to the Bonds:

The issue of the Series B £1,720,000,000 1.50 per cent. Subordinated Mandatory Convertible Bonds due 2022 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any further issues pursuant to Condition 18 and forming a single series with the Bonds) was authorised by a resolution of the board of directors of Vodafone Group Plc (the “**Issuer**”) passed on 22 January 2019.

The Bonds are constituted by a trust deed dated 12 March 2019 (the “**Trust Deed**”) between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the Bondholders. The statements set out in these terms and conditions (the “**Conditions**”) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the registered certificates (the “**Certificates**”) representing the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the paying, transfer and conversion agency agreement dated 12 March 2019 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Trustee, HSBC Bank plc as the registrar (the “**Registrar**”, which expression shall include any successor as Registrar under the Agency Agreement), HSBC Bank plc (the “**Principal Paying, Transfer and Conversion Agent**”, which expression shall include any successor as Principal Paying, Transfer and Conversion Agent under the Agency Agreement) and any other Paying, Transfer and Conversion Agents for the time being (such persons, together with the Principal Paying, Transfer and Conversion Agent, being referred to below as the “**Paying, Transfer and Conversion Agents**”, which expression shall include their successors as Paying, Transfer and Conversion Agents under the Agency Agreement). The Issuer has also entered into a calculation agency agreement dated 5 March 2019 (the “**Calculation Agency Agreement**”) with Conv-Ex Advisors Limited (the “**Calculation Agent**”, which expression shall include any successor as calculation agent under the Calculation Agency Agreement), whereby the Calculation Agent has been appointed to make certain calculations in relation to the Bonds from time to time.

Copies of the Trust Deed, the Agency Agreement and the Calculation Agency Agreement are available for inspection by prior appointment during normal business hours at the registered office for the time being of the Trustee (being as at the Issue Date at Fifth Floor, 100 Wood Street, London EC2V 7EX), and at the specified offices for the time being of the Paying, Transfer and Conversion Agents.

“**Agents**” means the Principal Paying, Transfer and Conversion Agent, any other Paying, Transfer and Conversion Agents and the Registrar.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Trust Deed unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination, Title, Status and Subordination

(a) Form and Denomination

The Bonds are issued in registered form in principal amounts of £100,000 each (an “**authorised denomination**”) and integral multiples thereof.

(b) Title

Title to the Bonds will pass by registration in the register that the Issuer shall procure to be kept by the Registrar outside the United Kingdom in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as otherwise required by law or as ordered by a court of competent jurisdiction, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate) and no person will be liable for so treating the holder.

(c) *Status*

The Bonds constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of Bondholders are subordinated as described in Condition 1(d).

(d) *Subordination and claims in a winding-up, dissolution or liquidation*

In the event of:

- (i) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, (x) the terms of which reorganisation, reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution and do not provide for a claim to be made in the winding-up or administration of the Issuer in respect of the Bonds pursuant to Condition 10; or (y) which substitution is effected in accordance with Condition 14(c)); or
- (ii) an administrator of the Issuer being appointed and such administrator giving notice that it intends to declare and distribute a dividend,

(each, an “**Enforcement Event**”),

there shall be payable by the Issuer in respect of each Bond (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the holder of such Bond if, on the day prior to the commencement of the winding-up or such administration, as the case may be, and thereafter, such holder were the holder of one of a class of preference shares in the capital of the Issuer (“**Notional Preference Shares**”) having an equal right to a return of assets in the winding-up or such administration, as the case may be, and so ranking *pari passu* with, the claims of holders of Parity Obligations, but ranking junior to the claims of holders of all Senior Obligations (except as otherwise provided by mandatory provisions of law), on the assumption that the amount that such holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up or such administration, as the case may be, were an amount equal to the Redemption Amount of the relevant Bond and any accrued and unpaid interest, any Arrears of Interest and any Make-whole Amount in respect of such Bond (and, in the case of an administration, on the assumption that holders of preference shares were entitled to claim and recover in respect of their preference shares to the same degree as in a winding-up).

Nothing in this Condition 1(d) or Condition 10 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof.

Accordingly, and without prejudice to the rights of the Trustee or the Agents, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration before the Bondholders may expect to obtain any recovery in respect of their Bonds, and prior thereto holders will have only limited ability to influence the conduct of such winding-up or administration.

(e) *No set-off, etc.*

Subject to applicable law, no holder of a Bond may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Bonds and each holder shall, by virtue of his holding of any Bond, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the rights and claims of any Bondholder in respect of or arising under or in connection with the Bonds are discharged by set-off, such Bondholder will, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer and, until such time as payment is made, will

hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator, trustee, receiver or administrator in the Issuer's winding-up or administration. Accordingly, any such discharge will be deemed not to have taken place.

2 Definitions

In these Conditions, unless otherwise provided:

"5 Day VWAP" means the arithmetic average of the daily Volume Weighted Average Prices of the cum entitlement share on each of the five consecutive Scheduled Trading Days:

- (a) (where the relevant Corporate Action is a merger or takeover) commencing on and including the first Scheduled Trading Day on which the shares are traded after the relevant offer is declared effective by the offeror and the relevant threshold of majority of the outstanding Ordinary Shares (75% for mandatory offers by law and 50% + 1 share in all other cases) is met; and
- (b) (in all other cases) ending on (and including) the last Scheduled Trading Day immediately preceding the effective date of the relevant Corporate Action,

provided, in either case, that if any of such five consecutive Scheduled Trading Days does not fall prior to the first date on which the share trades ex-entitlement (as determined, at any time while there have been no amendments to the ICE Futures Europe Corporate Actions Policy and there are option contracts in relation to the Ordinary Shares traded on ICE Futures Europe, by ICE Futures Europe and, at any time after there has been an amendment to the ICE Futures Europe Corporate Actions Policy or there are no option contracts in relation to the Ordinary Shares traded on ICE Futures Europe, as determined by the Calculation Agent or an Independent Adviser), the Volume Weighted Average Price of the Ordinary Share for any Scheduled Trading Day on or after the first date on which the share trades ex-entitlement (such date being determined as aforesaid) will be first increased by the Fair Market Value of the entitlement on such day before it is used in the calculation of the arithmetic average.

"20 Day VWAP" means the arithmetic average of the daily Volume Weighted Average Prices of the cum entitlement share on each of the first 20 consecutive Scheduled Trading Days commencing on and including the first Scheduled Trading Day on which the shares are traded after the relevant offer is declared effective by the offeror and the relevant threshold of majority of the outstanding Ordinary Shares (75% for mandatory offers by law and 50% + 1 share in all other cases) is met, provided that if any of such 20 consecutive Scheduled Trading Days does not fall prior to the first date on which the share trades ex-entitlement (as determined, at any time while there have been no amendments to the ICE Futures Europe Corporate Actions Policy and there are option contracts in relation to the Ordinary Shares traded on ICE Futures Europe, by ICE Futures Europe and, at any time after there has been an amendment to the ICE Futures Europe Corporate Actions Policy or there are no option contracts in relation to the Ordinary Shares traded on ICE Futures Europe, as determined by the Calculation Agent or an Independent Adviser), the Volume Weighted Average Price of the Ordinary Share for any Scheduled Trading Day on or after the first date on which the share trades ex-entitlement (such date being determined as aforesaid) will be first increased by the Fair Market Value of the entitlement on such day before it is used in the calculation of the arithmetic average.

"Accelerated Conversion Event" has the meaning given to it in Condition 4(d).

"Adjustment Ratio" means, in relation to a Corporate Action other than a Cash Dividend, Non Cash Dividend, Delisting or Nationalisation, the formula specified in the ICE Futures Europe Corporate Actions Policy in relation to such event or the resulting numerical value from such formula following the applicable rounding, as relevant.

"Arrears of Interest" has the meaning given to it in Condition 3(b)(i).

"authorised denomination" has the meaning given to it in Condition 1(a).

"Bondholder" and **"holder"** means the person in whose name a Bond is registered.

“Bondholder Voluntary Conversion Right” has the meaning given to it in Condition 4(c).

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

“Business Day” has the meaning given to it in Condition 8(e).

“Cash Dividend” has the meaning given to it in Condition 5(a)(iii).

“Change in Law” means that, as determined by the Issuer, due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in all such cases where the same occurs on or after 5 March 2019, the Issuer determines in good faith that (a) it has become illegal to hold, acquire or dispose of Ordinary Shares, or (b) it will incur a materially increased cost in performing its obligations under the Bonds (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“Closing Price” means, in respect of an Ordinary Share or any Security, option, warrant or other right or asset, on any Scheduled Trading Day, the closing price on such day of an Ordinary Share or, as the case may be, such Security, option, warrant or other right or asset on such Scheduled Trading Day as published by or derived from (a) in the case of an Original Ordinary Share where the London Stock Exchange constitutes the Relevant Exchange in respect thereof, Bloomberg page VOD LN Equity HP) (using the setting labelled “Last Price” or any equivalent successor label to this setting) or (b) in the case of an Original Ordinary Share where the London Stock Exchange no longer constitutes the Relevant Exchange in respect thereof, or, as the case may be, any other Ordinary Share, Security, option, warrant or other right or asset, the equivalent Bloomberg page and setting in respect of the Relevant Stock Exchange for such Original Ordinary Share, or, as the case may be, such other Ordinary Share, Security, option, warrant or other right or asset (all as determined by the Calculation Agent), if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Adviser on such day; provided that, if on any such Scheduled Trading Day (the **“Affected Closing Price Scheduled Trading Day”**) such price is not available or cannot otherwise be determined as provided above, the Closing Price of an Ordinary Share, Security, option, warrant or other right or asset, as the case may be, in respect of such day shall be the Closing Price, determined as provided above, on the immediately preceding Scheduled Trading Day on which the same can be so determined as aforesaid, unless such day is more than five Scheduled Trading Days before the Affected Closing Price Scheduled Trading Day, in which case an Independent Adviser shall determine the Closing Price in good faith.

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

“Compulsory Arrears of Interest Settlement Event” has the meaning given to it in Condition 3(b)(iv).

“Conversion Date” means:

- (a) in the case of a Mandatory Conversion on the Final Maturity Date pursuant to Condition 4(a), the fifth Scheduled Trading Day prior to the Final Maturity Date;
- (b) in the case of a Mandatory Conversion at the option of the Issuer pursuant to Condition 4(b), the Conversion Date specified in the Issuer’s Early Conversion Notice;
- (c) in the case of a Voluntary Conversion at the option of Bondholders pursuant to Condition 4(c), the Scheduled Trading Day immediately following the delivery of the relevant Certificate and Conversion Notice on exercise of such Bondholder Voluntary Conversion Right; and
- (d) in the case of a Mandatory Conversion following an Accelerated Conversion Event pursuant to Condition 4(d), the Scheduled Trading Day immediately following the date on which the Accelerated Conversion Event Notice is given pursuant to Condition 4(d).

“Conversion Notice” has the meaning given to it in Condition 6(a).

“Conversion Price” per Ordinary Share is initially £1.3505. The Conversion Price will be adjusted from time to time in accordance with these Conditions.

“Conversion Ratio” means, on any day, the result (rounded to five decimal places with 0.000005 being rounded upwards) of the division of £100,000 principal amount of the Bonds by the Conversion Price in effect on such day.

“Corporate Action” has the meaning given to it in Condition 5(b)(i).

“CREST” has the meaning given to it in Condition 6(c).

“Deferred Interest Payment” has the meaning given to it in Condition 3(b)(i).

“Delisting” means that, as determined by the Calculation Agent, the Relevant Stock Exchange announces that pursuant to the rules of such Relevant Stock Exchange, the Ordinary Shares cease (or will cease) to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason (other than by reason of a merger or takeover as contemplated by the ICE Futures Europe Corporate Actions Policy) and are not immediately re-listed, re-traded or re-quoted on a stock exchange or quotation system located in the same country as the Relevant Stock Exchange (or, where the Relevant Stock Exchange is within the United Kingdom or the European Union, in the United Kingdom or any member state of the European Union).

“Dividend” has the meaning given to it in Condition 5(a)(iii).

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

“equity share capital” means, in relation to any entity, its issued share capital excluding any part of that capital which, neither with respect to dividends nor with respect to capital, carries any right to participate beyond a specific amount in a distribution.

“Euronext Dublin” means the Irish Stock Exchange plc (trading as Euronext Dublin).

“Extraordinary Resolution” has the meaning given to it in the Trust Deed.

“Enforcement Event” has the meaning given to it in Condition 1(d).

“Ex-Date” has the meaning given to it in Condition 5(a)(iii).

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

- (i) in the case of a Cash Dividend, the amount of such Cash Dividend;
- (ii) in the case of any other cash amount, the amount of such cash;
- (iii) in the case of Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined by the Calculation Agent or an Independent Adviser), (a) in the case of Ordinary Shares or (to the extent constituting equity share capital) Spin-Off Securities, the Volume Weighted Average Price of such Ordinary Shares or (to the extent constituting equity share capital) Spin-Off Securities and (b) in the case of other Securities (other than Ordinary Shares or (to the extent constituting equity share capital) Spin-Off Securities), options, warrants or other rights or assets, the Closing Price of such Securities, options, warrants or other rights or assets, in the case of both (a) and (b) on the Relevant Stock Exchange for such Securities, Spin-Off Securities, options, warrants or other rights or assets on the FMV Date; and
- (iv) in the case of Securities (including Ordinary Shares), Spin-Off Securities, options, warrants or other rights or assets that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as

aforesaid), the fair market value on the FMV Date of such Securities, Spin-Off Securities, options, warrants or other rights or assets as determined by an Independent Adviser on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights or assets, including as to the expiry date and exercise price (if any) thereof,

provided that, for the purposes of Condition 5(a)(ii), if on the Relevant Record Date for a Relevant Dividend the Fair Market Value of the Net Amount of such Relevant Dividend cannot otherwise be determined in accordance with paragraphs (i) to (iv) above (as applicable), the Fair Market Value of the Net Amount of such Relevant Dividend will be determined by an Independent Adviser on the Relevant Record Date for that Relevant Dividend on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including those referred to in paragraph (iv) above.

Such amounts shall (if expressed (which term shall include the declaration of a Cash Dividend) solely in a currency (or currencies) other than the Relevant Currency on the FMV Date) be translated into the Relevant Currency at the Prevailing Rate on the FMV Date. In addition, in the case of (i) and (ii) above, and except for the purposes of determining the Fair Market Value of the Net Amount of a Relevant Dividend pursuant to Condition 5(a)(ii), the Fair Market Value shall be determined (by the Calculation Agent) on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit.

“Final Maturity Date” means 12 March 2022.

“Hedge Position” means a transaction or asset the Issuer deems appropriate to hedge the equity price risk in relation to a number of Ordinary Shares the Issuer deems appropriate considering the number of Ordinary Shares to be delivered on Mandatory Conversion on the Final Maturity Date of the Bonds.

“Hedging Counterparty” means a party to a Hedge Position.

“ICE Futures Europe” means ICE Futures Europe or its successor or any substitute exchange to which trading in option contracts relating to the Ordinary Shares has temporarily or permanently relocated, as determined by the Calculation Agent.

“ICE Futures Europe Corporate Actions Policy” means the standard corporate actions policy of ICE Futures Europe, in effect as at the Launch Date and, further, provided that the corporate actions policy shall at all times be deemed to be adjusted in the manner described in Condition 5(b)(iv).

“Independent Adviser” means an independent financial institution or the initial Calculation Agent (acting in such Independent Adviser capacity, as may be agreed at the relevant time between the Issuer and the initial Calculation Agent), appointed by the Issuer at its own expense and (other than where the initial Calculation Agent is appointed in such Independent Adviser capacity) approved in writing by the Trustee or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the liabilities, costs, fees and expenses of such adviser and otherwise in connection with such appointment, appointed by the Trustee (without liability for so doing) following notification thereof to the Issuer.

“Interest Payment” has the meaning provided in Condition 3(a).

“Interest Payment Date” has the meaning provided in Condition 3(a).

“Interest Period” has the meaning provided in Condition 3(a).

“Issue Date” means 12 March 2019.

“Issuer’s Early Conversion Notice” has the meaning provided in Condition 4(b).

“**Junior Obligations**” means any shares in the capital of the Issuer (except for preference shares in the capital of the Issuer (if any)) or any other securities or obligations issued or owed by the Issuer (including guarantees or indemnities or support arrangements given by the Issuer in respect of securities or obligations owed by other persons) which rank, or are expressed to rank, junior to the Bonds or to the most junior class of preference shares in the capital of the Issuer.

“**Launch Date**” means 5 March 2019.

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

the “**Make-whole Amount**” per Bond will be determined by the Calculation Agent and will be equal to the value of the embedded option right that has not yet been compensated for up to the relevant Settlement Date (provided that where the Settlement Date falls on or after the Final Maturity Date, the Make-whole Amount shall be equal to zero), calculated pursuant to the following formula:

$$M = A \times \frac{c}{t}$$

where:

M = the Make-whole Amount

A = £4,500

c = the number of days from, and including, the relevant Settlement Date to but excluding the Final Maturity Date; and

t = the number of days from, and including, the Issue Date to but excluding the Final Maturity Date,

rounding the resulting figure to the nearest penny (half a penny being rounded upwards).

“**Mandatory Conversion**” means a mandatory conversion of the Bonds pursuant to the provisions of Condition 4(a), 4(b) or 4(d), as the case may be.

“**Mandatory Settlement Date**” shall have the meaning given to it in Condition 3(b)(iv).

“**Nationalisation**” means that, as determined by the Calculation Agent, all the Ordinary Shares or all or substantially all the assets of the Issuer are (or are to be) nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Non Cash Dividend**” has the meaning given to it in Condition 5(a)(iii).

“**Ordinary Share**” means (i) initially one fully paid ordinary share in the capital of the Issuer (the “**Original Ordinary Share**”) with, on the Issue Date, a par value of US\$0.20 20/21 or (ii) following any adjustment made by ICE Futures Europe following a Corporate Action (other than a Corporate Action which is a Cash Dividend or Non Cash Dividend) in accordance with the Package Method (as defined in Condition 5(b)), the package of Securities determined by ICE Futures Europe (or, if no relevant option contracts are traded on ICE Futures Europe, by an Independent Adviser in accordance with these Conditions following a Corporate Action (other than a Corporate Action which is a Cash Dividend or Non Cash Dividend)) to become (or, where an Independent Adviser makes the determination, that would reasonably have been expected to become, if there were relevant option contracts traded on ICE Futures Europe or if the ICE Futures Europe Corporate Actions Policy had not been amended) the underlying shares for the purposes of option contracts in relation to which the Original Ordinary Shares were the underlying shares on the Issue Date in the place of one Ordinary Share.

“**Parity Obligations**” means (if any) (i) the most junior class of preference share capital in the Issuer ranking ahead of the ordinary shares in the capital of the Issuer, (ii) any other obligations of the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Bonds or such preference shares and (iii) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support arrangement

entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Bonds or such preference shares.

As at the Launch Date (and for so long as the same remain outstanding), Parity Obligations include the Issuer's:

1. *Series A £1,720,000,000 1.20 per cent. Subordinated Mandatory Convertible Bonds due 2021 issued on or around the Issue Date (ISIN: XS1960588850);*
2. *€2,000,000,000 Capital Securities due 2079 (ISIN: XS1888179477);*
3. *€500,000,000 Capital Securities due 2078 (ISIN: XS1888179550);*
4. *£500,000,000 Capital Securities due 2078 (ISIN: XS1888180996); and*
5. *U.S.\$1,300,000,000 Capital Securities due 2078 (ISIN: XS1888180640).*

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

“**Prevailing Rate**” on any day (the “**PR Date**”) means (in each case as determined by the Calculation Agent):

- (i) in respect of any pair of currencies (of which neither is the euro or the pound sterling), the spot rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on such PR Date as appearing on or derived from the Relevant Page; or
- (ii) in respect of any pair of currencies of which one is the pound sterling and any other currency (other than the euro), the final spot rate of exchange as published by the Bank of England for such pair of currencies in respect of such PR Date as appearing on or derived from the Relevant Page; or
- (iii) in respect of any pair of currencies of which one is the euro and any other currency, the European Central Bank reference rate for such pair of currencies on such PR Date as appearing on or derived from the Relevant Page.

If such a rate cannot be determined at such time as aforesaid, the Prevailing Rate shall be determined *mutatis mutandis* but with respect to the immediately preceding day on which such rate can be so determined all as determined by the Calculation Agent, provided that if such immediately preceding day on which the rate can be determined is more than five Scheduled Trading Days before the PR Date, or if the relevant rate cannot be so determined by reference to the Relevant Page, the Prevailing Rate shall be the rate determined in such other manner as an Independent Adviser shall deem in good faith appropriate.

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

the “**Redemption Amount**” per Bond will be determined by the Calculation Agent and will be equal to the arithmetic average of the daily products of, in respect of each Scheduled Trading Day during a period of 20 consecutive Scheduled Trading Days ending on (and including) the second Scheduled Trading Day prior to the day on which the Enforcement Event occurs, (x) the Conversion Ratio in effect on such Scheduled Trading Day and (y) the Volume Weighted Average Price of an Ordinary Share on such Scheduled Trading Day.

“**Register**” has the meaning provided in Condition 1(b).

“**Relevant Currency**” means pound sterling or, if at the relevant time or for the purposes of the relevant calculation or determination, pound sterling is no longer the currency in which the Ordinary Share are quoted or dealt in on the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

“**Relevant Date**” means, in respect of any relevant payment on any Bond, 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 Principal Paying, Transfer and Conversion Agent or the Trustee 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 given to the Bondholders in accordance with Condition 17.

“Relevant Jurisdiction” means the Issuer’s jurisdiction of incorporation and includes any other territory or authority or additional territory or authority to whose taxing jurisdiction the Issuer has become subject.

“Relevant Page” means the relevant page on Bloomberg or such other information service provider that for the time being displays the relevant information, as determined by the Calculation Agent.

“Relevant Record Date” has the meaning given to it in Condition 5(a)(iii).

“Relevant Stock Exchange” means (i) in the case of the Original Ordinary Shares, the London Stock Exchange or, if at the relevant time the Original Ordinary Shares are not at that time listed and admitted to trading on the London Stock Exchange, the principal stock exchange or securities market on which the Original Ordinary Shares are then listed, admitted to trading or quoted or dealt in and (ii) in the case of any other Securities, the principal stock exchange or securities market on which such Securities are then listed, admitted to trading or quoted or dealt in.

“Scheduled Trading Day” means any day on which the Relevant Stock Exchange for the Ordinary Shares and ICE Futures Europe are both scheduled to be open for trading for their respective regular trading sessions (including any day on which trading is scheduled to cease prior to the usual closing time), all as set out in the respective trading calendars as first published by the Relevant Stock Exchange and ICE Futures Europe in respect of the year in which such day is falling.

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

“Senior Obligations” means all obligations of the Issuer, issued directly or indirectly by it, other than Parity Obligations and Junior Obligations.

“Settlement Date” means:

- (a) in connection with a Mandatory Conversion on the Final Maturity Date pursuant to Condition 4(a), the Final Maturity Date (or, if that date is not a Scheduled Trading Day, the next following Scheduled Trading Day);
- (b) in connection with a Mandatory Conversion at the option of the Issuer pursuant to Condition 4(b), the second Scheduled Trading Day immediately following the relevant Conversion Date;
- (c) in connection with a Voluntary Conversion at the option of Bondholders pursuant to Condition 4(c):
 - (i) in the case of a Conversion Date falling on or before the 10th Scheduled Trading Day in any calendar month, the final Scheduled Trading Day in that calendar month; or
 - (ii) in the case of a Conversion Date falling after the 10th Scheduled Trading Day in any calendar month (but prior to the commencement of the next calendar month), the 10th Scheduled Trading Day falling in the next calendar month after such Conversion Date occurs;
- (d) in connection with a Mandatory Conversion following an Accelerated Conversion Event pursuant to Condition 4(d), the 12th Scheduled Trading Day immediately following the relevant Conversion Date; and
- (e) in connection with an Enforcement Event, the day on which the Redemption Amount (if any) is determined to have become due and payable pursuant to the proceedings referred to in Condition 10.

“Settlement Disruption Event” means, on any day, an event beyond the control of the Issuer as a result of which CREST cannot settle the book-entry transfer of Ordinary Shares on such day.

“Shareholders” means the holders of Ordinary Shares.

“**Spin-Off**” has the meaning given to it in Condition 5(a)(iii).

“**Spin-Off Securities**” has the meaning provided by Condition 5(a)(iii).

“**Subsidiary**” has the meaning provided in Section 1159 of the Companies Act.

“**UK Listing Authority**” means the Financial Conduct Authority acting under Part VI of the Financial Services and Markets Act 2000.

“**Unsurrendered Bonds**” has the meaning provided in Condition 6(a).

“**Volume Weighted Average Price**” means:

- (i) in respect of an Original Ordinary Share (where the London Stock Exchange constitutes the Relevant Exchange in respect thereof) on any Scheduled Trading Day, the volume-weighted average price of an Original Ordinary Share published by or derived from Bloomberg page VOD LN Equity VWAP (or any successor page) after having selected (A) Condition Codes: Automatic Trade, Intraday Auction, Opening Auction, UA Auction Uncrossing Trade and UC Auction Uncrossing Trade (or any successor labelling to these Condition Codes) and (B) the relevant Scheduled Trading Day, the relevant opening hour (being, as at the Issue Date, 8:00:00 a.m.) and the relevant closing hour (being, as at the Issue Date, 4:35:00 p.m.), in each case local time, of the Relevant Stock Exchange; or
- (ii) (in circumstances where (i) above does not apply) in respect of an Ordinary Share or Security on any Scheduled Trading Day, the volume-weighted average price of an Ordinary Share or Security published by or derived from the equivalent Bloomberg page for such Ordinary Shares or Securities in respect of the Relevant Stock Exchange in respect thereof, in each case as determined by the Calculation Agent,

or, in case there is no such Bloomberg page, such other source (if any) as shall be determined in good faith to be appropriate by an Independent Adviser in respect of such Scheduled Trading Day, provided that if on such Scheduled Trading Day (the “**Affected VWAP Scheduled Trading Day**”) such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share or Security, as the case may be, in respect of such Scheduled Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Scheduled Trading Day on which the same can be so determined, unless such day is more than five Scheduled Trading Days before the Affected VWAP Scheduled Trading Day, in which case, an Independent Adviser shall determine the Volume Weighted Average Price in good faith.

“**Voluntary Conversion**” means a conversion pursuant to Condition 4(c).

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

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

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

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

References in these Conditions to listing on the “**London Stock Exchange**” (or like or similar references) shall be construed as admission to the Official List of the UK Listing Authority and admission to trading on the main market of the London Stock Exchange (being, as at the Launch Date, the EEA Regulated Market of the London

Stock Exchange and references to “**EEA Regulated Market**” mean a market as defined by Article 4.1 (14) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments).

3 Interest and Deferral

(a) Interest Rate

Subject to the further provisions of this Condition 3, each Bond bears interest on its principal amount from and including the Issue Date at the rate of 1.50 per cent. per annum, payable semi-annually in arrear on 12 March and 12 September in each year, commencing on 12 September 2019 (each an “**Interest Payment Date**”). The interest payable on each Interest Payment Date (subject to deferral, as provided below) will amount to £750 per authorised denomination. The amount of any interest payable in respect of a Bond pursuant to this Condition 3(a) on any Interest Payment Date (subject to deferral, as provided below) is referred to as an “**Interest Payment**”.

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

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

(b) Interest Deferral

(i) Deferral of Interest Payments

The Issuer may elect in its sole discretion to defer (in whole or in part) any Interest Payment (a “**Deferred Interest Payment**”) which is otherwise scheduled to be paid on an Interest Payment Date (other than the Final Maturity Date) by giving notice (a “**Deferral Notice**”) of such election to the Bondholders in accordance with Condition 17, the Trustee and the Principal Paying, Transfer and Conversion Agent not more than 14 and not less than seven London business days prior to the relevant Interest Payment Date (upon which notice the Trustee shall rely without enquiry or liability).

If any Interest Payment is deferred pursuant to this Condition 3(b)(i), then such Deferred Interest Payment shall itself bear interest (such further interest, together with the Deferred Interest Payment, being, for so long as the same remains unpaid, “**Arrears of Interest**”), at the rate specified in Condition 3(a), from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the date on which such Deferred Interest Payment is paid in accordance with Condition 3(b)(ii) or (iii), as the case may be, in each case such further interest being compounded on each Interest Payment Date.

Non-payment on a scheduled Interest Payment Date of interest deferred pursuant to this Condition 3(b)(i) shall not constitute an Enforcement Event, an Accelerated Conversion Event or a default by the Issuer under the Bonds or the Trust Deed or for any other purpose.

(ii) Optional Settlement of Arrears of Interest

Arrears of Interest may be satisfied at the option of the Issuer, in whole or in part, on any given day (the “**Optional Deferred Interest Settlement Date**”) following delivery of a notice to such effect given by the Issuer to Bondholders in accordance with Condition 17, the Trustee and the Principal Paying, Transfer and Conversion Agent not more than 14 and no less than seven London business days prior to the relevant Optional Deferred Interest Settlement Date informing them of

its election to satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date.

No Arrears of Interest will be payable under this Condition 3(b)(ii) in respect of a Bond which is the subject of an exercise of a Bondholder Voluntary Conversion Right where the Conversion Date in respect of such exercise falls on or before the Record Date in respect of such payment of Arrears of Interest.

(iii) *Mandatory Settlement of Arrears of Interest*

Notwithstanding the provisions of Condition 3(b)(i) relating to the ability of the Issuer to defer payments of interest, the Issuer shall pay all (if any) outstanding Arrears of Interest in whole on the first occurring Mandatory Settlement Date following the relevant Interest Payment Date on which a Deferred Interest Payment comprised in such Arrears of Interest first arose. If, however, an Enforcement Event occurs prior to any Mandatory Settlement Date, the provisions of Condition 1(d) shall apply.

Notice of the occurrence of any Mandatory Settlement Date shall be given by the Issuer to Bondholders in accordance with Condition 17, the Trustee and the Principal Paying, Transfer and Conversion Agent as soon as practicable following the event giving rise to the occurrence of the relevant Mandatory Settlement Date.

No Arrears of Interest will be payable in respect of any Bond which is the subject of an exercise of a Bondholder Voluntary Conversion Right where the Conversion Date in respect of such exercise falls on or before the Record Date in respect of such payment of Arrears of Interest.

(iv) *Definitions*

A “**Compulsory Arrears of Interest Settlement Event**” shall occur if:

- (i) a dividend (either interim or final), other distribution or payment is validly resolved on, declared, paid or made in respect of (a) Ordinary Shares, (b) any obligations of the Issuer which rank or are expressed to rank *pari passu* with the Ordinary Shares or (c) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Ordinary Shares, except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made exclusively in Ordinary Shares or in respect of any share option, or any free share allocation plan in each case reserved for directors, officers and/or employees of the Issuer or any of its affiliates or any associated liquidity agreements or any associated hedging transactions or (y) the Issuer is obliged under the terms of such securities or by mandatory operation of law to make such dividend, distribution or other payment; or
- (ii) a dividend (either interim or final), other distribution or payment is validly resolved on, declared, paid or made in respect of any Parity Obligations of the Issuer, except where such dividend, distribution or payment was required to be declared, paid or made under the terms of such Parity Obligations of the Issuer or by mandatory operation of law; or
- (iii) the Issuer or any of its Subsidiaries redeems, repurchases or otherwise acquires (a) any Ordinary Shares, (b) any obligations of the Issuer which rank or are expressed to rank *pari passu* with the Ordinary Shares or (c) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Ordinary Shares, except where (v) such repurchase or acquisition is undertaken in respect of any share option, or any free share allocation plan in each case reserved for directors, officers and/or employees of the Issuer or any of its affiliates or any associated liquidity agreements or any associated hedging

transactions, (w) the Issuer is obliged under the terms of such securities or by mandatory operation of law to make such repurchase or acquisition, (x) such repurchase or acquisition is made by or on behalf of the Issuer as part of an intra-day transaction that does not result in an increase in the aggregate number of Ordinary Shares held by or on behalf of the Issuer as treasury shares at 8:30 a.m. London time on the Interest Payment Date on which a Deferred Interest Payment comprised in any outstanding Arrears of Interest first arose, (y) such repurchase or acquisition results from hedging of any convertible securities (which may include, for the avoidance of doubt, the Bonds) issued by the Issuer or by any Subsidiary of the Issuer and guaranteed by the Issuer; or (z) such repurchase or acquisition results from the settlement of existing equity derivatives after the Interest Payment Date on which a Deferred Interest Payment comprised in any outstanding Arrears of Interest first arose; or

- (iv) the Issuer, or any Subsidiary of the Issuer, redeems, repurchases or otherwise acquires any Parity Obligations of the Issuer, except where (x) such redemption, repurchase or acquisition is effected as a public cash tender offer or public exchange offer at a purchase price per security which is below its par value or (y) the Issuer, or any Subsidiary of the Issuer, is obliged under the terms of such securities or by mandatory operation of law to make such redemption, repurchase or acquisition or (z) such acquisition results from the conversion of any convertible securities (which may include, for the avoidance of doubt, the Bonds) issued by the Issuer or issued by a Subsidiary of the Issuer with a guarantee from the Issuer.

“Mandatory Settlement Date” means the earlier of:

- (i) the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer pays interest on the Bonds; and
- (iii) (only in the event of a Mandatory Conversion) the relevant Settlement Date in respect of such Mandatory Conversion.

(c) Accrual of Interest

In the case of:

- (i) Mandatory Conversion pursuant to Condition 4(a), interest will cease to accrue on the Bonds with effect from (and including) the Final Maturity Date, and interest accrued from (and including) the Interest Payment Date immediately preceding the Final Maturity Date to (but excluding) the Final Maturity Date shall be paid on the Final Maturity Date (or, if such day is not a Business Day, on the immediately following Business Day);
- (ii) any Mandatory Conversion at the option of the Issuer pursuant to Condition 4(b), any Mandatory Conversion following an Accelerated Conversion Event pursuant to Condition 4(d) or the occurrence of an Enforcement Event pursuant to Condition 10, interest will cease to accrue on the relevant Bonds with effect from (and including) the relevant Settlement Date, and interest accrued from (and including) the Interest Payment Date immediately preceding the relevant Settlement Date or, if there is no such Interest Payment Date, from (and including) the Issue Date, to (but excluding) the relevant Settlement Date shall be paid on the relevant Settlement Date (or, if such day is not a Business Day, on the immediately following Business Day); and
- (iii) a Voluntary Conversion at the option of Bondholders pursuant to Condition 4(c), interest will cease to accrue on the relevant Bond(s) which are the subject of such Voluntary Conversion from (and including) the Interest Payment Date falling on or immediately preceding the relevant Conversion Date or, if there is no such Interest Payment Date, from (and including) the Issue Date,

provided that, in each such case under (i) or (ii) above, if payment is improperly withheld or refused the relevant Bonds shall continue to bear interest up to (but excluding) the Relevant Date.

4 Conversion of Bonds

(a) *Mandatory Conversion on the Final Maturity Date*

Unless previously converted or redeemed or purchased and cancelled in accordance with these Conditions, each Bond will, subject as provided in these Conditions, be mandatorily converted on the Final Maturity Date into such number of Ordinary Shares as is equal to the Conversion Ratio in effect on the relevant Conversion Date.

The relevant Ordinary Shares shall be delivered by the Issuer on or prior to the Settlement Date.

On the Final Maturity Date (or, if such day is not a Business Day, on the immediately following Business Day), the Issuer will also make payment of any accrued and unpaid interest in accordance with Condition 3(c) and any Arrears of Interest in accordance with Condition 3(b).

(b) *Early Conversion at the option of the Issuer*

The Issuer may (subject as provided below) on or after 22 April 2019, at its option, upon giving notice (an “**Issuer’s Early Conversion Notice**”) to the Bondholders in accordance with Condition 17 and to the Trustee, the Principal Paying, Transfer and Conversion Agent and the Calculation Agent, mandatorily convert all but not some only of the outstanding Bonds into such number of Ordinary Shares in respect of each Bond as is equal to the Conversion Ratio in effect on the relevant Conversion Date. The Issuer’s Early Conversion Notice shall (i) specify the relevant Conversion Date; and (ii) be given as aforesaid no less than 15 and no more than 20 days prior to the relevant Conversion Date.

The relevant Ordinary Shares shall be delivered by the Issuer on or prior to the Settlement Date.

On the relevant Settlement Date (or, if such day is not a Business Day, on the immediately following Business Day), the Issuer will also make payment of any accrued and unpaid interest payable in accordance with Condition 3(c), any Arrears of Interest payable in accordance with Condition 3(b) and the Make-whole Amount payable in accordance with Condition 4(e).

An Issuer’s Early Conversion Notice shall be irrevocable.

No Issuer’s Early Conversion Notice may be delivered pursuant to this Condition 4(b) where the applicable Settlement Date would (at the time such Issuer’s Early Conversion Notice is given) be expected to fall on or after the Final Maturity Date.

The Issuer’s Early Conversion Notice shall specify:

- (i) the Conversion Price and the Conversion Ratio as at the latest practicable date prior to giving such notice;
- (ii) the Conversion Date for the purposes of conversion of Bonds pursuant to this Condition 4(b); and
- (iii) the procedure to be followed by Bondholders in respect of such conversion.

(c) *Voluntary Conversion at the option of Bondholders*

Subject as provided below, each Bondholder shall have the right (a “**Bondholder Voluntary Conversion Right**”) to convert any or all of its Bonds into Ordinary Shares at any time on or after 22 April 2019, provided that the Settlement Date in respect thereof shall occur not later than the Final Maturity Date. The number of Ordinary Shares to be delivered in respect of each Bond on such conversion shall be equal to the Conversion Ratio in effect on the relevant Conversion Date.

A Bondholder may exercise the Bondholder Voluntary Conversion Right by delivering the Certificate representing its Bonds (together with a duly completed and signed Conversion Notice) to the specified

office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(a), whereupon the Issuer shall (subject as provided in these Conditions) procure the delivery to or as directed by the relevant Bondholder (in the relevant Conversion Notice) of the relevant Ordinary Shares as provided in Condition 6.

The relevant number of Ordinary Shares shall be delivered by the Issuer on or prior to the Settlement Date.

A Bondholder may not exercise a Bondholder Voluntary Conversion Right:

- (i) following the giving of an Issuer's Early Conversion Notice pursuant to Condition 4(b);
- (ii) following the giving of an Accelerated Conversion Event Notice by the Issuer pursuant to Condition 4(d);
- (iii) if the Settlement Date relating to such exercise would fall after the Final Maturity Date; or
- (iv) if an Enforcement Event has occurred and is continuing.

No Make-whole Amount nor any accrued interest nor Arrears of Interest shall be payable in respect of a conversion of Bonds upon the exercise of a Bondholder Voluntary Conversion Right.

Once a Bondholder has exercised a Bondholder Voluntary Conversion Right, its Bonds which are the subject of such exercise shall be converted pursuant to this Condition 4(c) notwithstanding any Issuer's Early Conversion Notice or Accelerated Conversion Event Notice being given on or after the Conversion Date applicable pursuant to this Condition 4(c).

(d) Mandatory Conversion following an Accelerated Conversion Event

If an Accelerated Conversion Event occurs, the Issuer shall (subject as provided below), no later than the fifth London business day after the occurrence of the Accelerated Conversion Event, give notice (the "**Accelerated Conversion Event Notice**") thereof to the Bondholders in accordance with Condition 17, to the Trustee, the Principal Paying, Transfer and Conversion Agent and the Calculation Agent, and all but not some only of the outstanding Bonds shall be mandatorily converted into such number of Ordinary Shares in respect of each Bond as is equal to the Conversion Ratio in effect on the relevant Conversion Date.

The relevant Ordinary Shares shall be delivered by the Issuer on or prior to the Settlement Date.

On the relevant Settlement Date (or, if such day is not a Business Day, on the immediately following Business Day), the Issuer will also make payment of any accrued interest payable in accordance with Condition 3(c), the Make-whole Amount payable in accordance with Condition 4(e) and any Arrears of Interest payable in accordance with Condition 3(b).

No Accelerated Conversion Event Notice shall be required to be delivered, and the Bonds shall not be mandatorily converted, pursuant to this Condition 4(d) where the date which (at the time such Accelerated Conversion Event Notice is given) is expected to be the applicable Settlement Date would fall on or after the Final Maturity Date.

The Accelerated Conversion Event Notice shall specify:

- (i) the Conversion Price and the Conversion Ratio immediately prior to the occurrence of the Accelerated Conversion Event and as at the latest practicable date prior to giving such notice;
- (ii) the Conversion Date for the purposes of conversion of Bonds pursuant to this Condition 4(d); and
- (iii) the procedure to be followed by Bondholders in respect of such conversion.

An “**Accelerated Conversion Event**” shall occur if:

- (A) the credit rating of Vodafone Group Plc (on an issuer, rather than issue, basis and on a senior long term debt basis) from each of Moody’s Investors Service Limited (“**Moody’s**”), Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) and Fitch Ratings Limited (“**Fitch**”), or their respective successors (each a “**Rating Agency**”):
 - (x) falls below Baa3 (in the case of Moody’s), below BBB- (in the case of S&P) and below BBB- (in the case of Fitch), as applicable, and Vodafone Group Plc does not within a 30 calendar day period subsequently receive a rating (on the basis described above) of Baa3 (in the case of Moody’s) or BBB- (in the case of S&P) or BBB- (in the case of Fitch), or higher, by at least one Rating Agency; or
 - (y) is withdrawn by all of the Rating Agencies and is not reinstated to a rating (on the basis described above) of Baa3 (in the case of Moody’s) or BBB- (in the case of S&P) or BBB- (in the case of Fitch), or higher, by at least one Rating Agency within a 30 calendar day period subsequent to such withdrawal; or
- (B) the Issuer fails to make any payment to any Bondholder under the Bonds when due and such failure continues for more than 30 days from the relevant due date (for the purposes thereof, and for the avoidance of doubt, any interest deferred pursuant to Condition 3(b) shall not be “due” on the relevant scheduled Interest Payment Date for the purposes of this Condition 4(d)); or
- (C) options contracts in respect of the Ordinary Shares are traded on ICE Futures Europe and any event occurs as a result of which such option contracts are or will be settled in accordance with the ICE Futures Europe’s Corporate Actions Policy, other than (x) a delisting (as contemplated by the ICE Futures Europe Corporate Actions Policy) that does not also constitute a Delisting and (y) where such event also constitutes an Enforcement Event, in which case Condition 10 shall apply; or
- (D) a Nationalisation, a Delisting or a Change in Law occurs.

If the rating designations employed by Moody’s, S&P or Fitch are changed from those which are described in paragraph (A) above, the Issuer, in consultation with an Independent Adviser, shall determine the rating designations of Moody’s or S&P or Fitch (as appropriate) as are most equivalent to the prior rating designations of Moody’s or S&P or Fitch and the above definition shall be read accordingly.

Neither the Trustee, the Calculation Agent nor any Agent shall be under any duty to monitor whether any Accelerated Conversion Event shall have occurred, and will not be responsible or liable to the Bondholders for any loss arising from any failure by it to do so.

Upon the occurrence of an Accelerated Conversion Event, the Issuer shall promptly deliver to the Trustee a certificate signed by two authorised officers of the Issuer confirming the occurrence thereof and providing details of the event giving rise thereto.

(e) Make-whole Amount

In the case of a Mandatory Conversion at the option of the Issuer pursuant to Condition 4(b) or a Mandatory Conversion following an Accelerated Conversion Event pursuant to Condition 4(d), the Issuer shall pay to each Bondholder on the relevant Settlement Date, in respect of each Bond converted, an amount equal to the Make-whole Amount which shall be paid in accordance with Condition 8.

No Make-whole Amount shall be payable in respect of the exercise of a Bondholder Voluntary Conversion Right pursuant to Condition 4(c).

(f) *Fractions*

The number of Ordinary Shares to be delivered on conversion to a Bondholder shall be calculated by the Calculation Agent on the basis of the aggregate principal amount of the Bonds being so converted, rounded down, if necessary, to the nearest whole number of Ordinary Shares. Fractions of Ordinary Shares will not be delivered on or in respect of any conversion pursuant to this Condition 4 and no cash payment or other adjustment will be made in lieu thereof.

(g) *Taxes and Stamp duties etc.*

A Bondholder must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion of the Bond (other than any taxes or capital, stamp, issue and registration and transfer, and other taxes and duties payable in the United Kingdom in respect of the allotment, issue, transfer and/or delivery (as the case may be) of any Ordinary Shares to or to the order of a Bondholder pursuant to these Conditions on such conversion, which shall be paid by the Issuer). Without prejudice to the foregoing, a Bondholder must pay all, if any, taxes or duties imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with any Mandatory Conversion or Voluntary Conversion pursuant to this Condition 4.

If (i) the Issuer shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, and the relevant holder shall tender and pay the same or (ii) the Issuer is responsible for any taxes and capital, stamp, issue and registration and transfer taxes and duties as provided above, but such taxes and duties are charged to and/or directly paid by the relevant Bondholder, the Issuer, as a separate and independent stipulation, covenants in respect of the taxes or duties referred to in (i) and/or (ii) above to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

For the avoidance of doubt, neither the Trustee, the Calculation Agent nor any Agent shall be responsible for determining whether any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion of the Bonds are payable or the amount thereof and shall not be responsible or liable for any failure by the Issuer to pay any taxes or capital, stamp, issue and registration and transfer taxes and duties payable in respect of the allotment, issue and delivery of any Ordinary Shares upon such conversion.

(h) *Purchase or Redemption of Ordinary Shares*

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

5 Adjustment of Conversion Price and Ordinary Shares

(a) The Calculation Agent (or, to the extent specified in these Conditions, an Independent Adviser) will adjust the Conversion Price and/or what is considered an Ordinary Share (as applicable) as follows:

(i) ICE Futures Europe Corporate Actions Policy

(A) If option contracts in respect of the Ordinary Shares are traded on ICE Futures Europe and, at any time while there have been no amendments to the ICE Futures Europe Corporate Actions Policy, ICE Futures Europe adjusts such option contracts, or, at any time after there has been an amendment to the ICE Futures Europe Corporate Actions Policy, the Calculation Agent or (where the Calculation Agent determines in its sole discretion it is not capable of making such determination in its capacity as Calculation Agent) an Independent Adviser determines that it would reasonably have been expected

that ICE Futures Europe would have adjusted such option contracts pursuant to the ICE Futures Europe Corporate Actions Policy (without any amendment) if the ICE Futures Europe Corporate Actions Policy had not been amended, in light of any corporate actions and/or capital adjustments of the kind specified in Condition 5(b), the Calculation Agent shall with effect as of the same date, adjust the Conversion Price and/or Ordinary Shares (as applicable) as provided in Condition 5(b)(iv); provided that in relation to Cash Dividends and Non Cash Dividends (each as defined below) the Calculation Agent shall make the adjustments as set out in Condition 5(a)(ii) instead of any corresponding or other adjustment under the ICE Futures Europe Corporate Actions Policy; and further provided that, in accordance with Condition 5(b)(iv)(A)(IV) (or, as the case may be, Condition 5(b)(iv)(B)(VI)), in relation to any corporate actions and/or capital adjustments resulting in option contracts being settled at their theoretical fair value (as described in the ICE Futures Europe Corporate Actions Policy for a reason other than a delisting (as contemplated by the ICE Futures Europe Corporate Actions Policy) that does not constitute a Delisting), or in relation to Delisting and Nationalisation, an Accelerated Conversion Event shall occur instead of any adjustment of the Conversion Price and/or Ordinary Shares in relation to the relevant event, and the provisions of Condition 4(d) will apply.

If no option contracts in respect of the Ordinary Shares are traded on ICE Futures Europe, (i) if the Calculation Agent determines in its sole discretion it is capable of making such adjustment in its capacity as Calculation Agent, the Calculation Agent and (ii) in any other case, an Independent Adviser, shall make the adjustments to the Conversion Price and/or Ordinary Shares (as applicable) in light of any corporate actions and/or capital adjustments of the kind specified in Condition 5(b) (other than in relation to the distribution to Shareholders of a Cash Dividend or a Non Cash Dividend, in respect of which the Calculation Agent shall make the adjustments set out in Condition 5(a)(ii) and other than in relation to any corporate actions and/or capital adjustments which would have resulted in the good faith determination of the Calculation Agent, or as the case may be, Independent Adviser, in option contracts being settled at their theoretical fair value (as described in the ICE Futures Europe Corporate Actions Policy for a reason other than a delisting (as contemplated by the ICE Futures Europe Corporate Actions Policy) that does not constitute a Delisting), a Delisting or a Nationalisation, in which case an Accelerated Conversion Event shall occur instead of any corresponding adjustment of the Conversion Price and/or Ordinary Shares in relation to the relevant event) in analogous application of the ICE Futures Europe Corporate Actions Policy with the modifications provided in Condition 5(b)(iv).

- (B) Following any adjustment contemplated by Condition 5(a)(i)(A), the Issuer may request an Independent Adviser to determine, subject to the requirements that (i) it considers an amendment reasonably necessary and (ii) no amendment may be made which would, in the Trustee's opinion, (a) impose more onerous obligations on it, or decrease its rights, powers, discretions, authorisations or indemnities, under these Conditions and the Trust Deed or (b) expose the Trustee to liability against which it is not indemnified and/or secured and/or prefunded to its satisfaction without its consent, what amendments (if any) to these Conditions, the Trust Deed and any other relevant documents are appropriate in order to reflect the commercial terms of the adjustment. Upon any such determination being made by such Independent Adviser as aforesaid (upon which determination the Trustee shall rely absolutely and without enquiry or liability) and notified to the Trustee, the Issuer and the Trustee shall (at the expense of the Issuer), pursuant to the terms of the Trust Deed and without the consent of the Bondholders, effect such amendments as so

determined by the Independent Adviser to these Conditions, the Trust Deed and any other relevant documents.

See Condition 5(b) below for a summary of certain aspects of the ICE Futures Europe Corporate Action Policy in effect as at the Launch Date.

(ii) Cash/Non Cash Dividends

If an Ex-Date in respect of a Cash Dividend or a Non Cash Dividend (a “**Relevant Dividend**”) falls on or prior to the Conversion Date, the Calculation Agent shall calculate the adjustment to the Conversion Price in accordance with the following formula (instead of any corresponding or other adjustment under the ICE Futures Europe Corporate Actions Policy):

$$X_n = X_o \times R$$

Where:

- X_n = the adjusted Conversion Price;
- X_o = the Conversion Price on the Relevant Record Date in respect of the Relevant Dividend;
- R = $(S_{-1} - D) / S_{-1}$;
- S_{-1} = the Volume Weighted Average Price of a cum entitlement Ordinary Share on the Relevant Record Date in respect of the Relevant Dividend; and
- D = the Fair Market Value of the Net Amount of the Relevant Dividend on its Relevant Record Date on a per Ordinary Share basis.

For the purposes of this Condition 5(a)(ii), the relevant adjustment to the Conversion Price in respect of the Relevant Dividend will be determined on the Relevant Record Date for that Relevant Dividend and the effective date for such adjustment will be the Ex-Date in respect of the Relevant Dividend.

(iii) Definitions

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

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

(a) where:

- (1) a dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where an issue of Ordinary Shares to Shareholders by way of a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) is announced which may at the election

of a Shareholder or Shareholders be satisfied by the payment of cash, then the dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to the Fair Market Value of such cash amount as at the first date on which the Ordinary Shares are traded ex- the relevant dividend or capitalisation on the Relevant Stock Exchange; or

- (2) there shall be any issue of Ordinary Shares or other property or assets to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a dividend (whether or not a cash dividend equivalent or amount is announced) or a dividend in cash that is to be satisfied by the issue or delivery of Ordinary Shares or other property or assets, in each case other than in the circumstances the subject of sub-paragraph (1) above, the capitalisation or dividend in question shall be treated as a Cash Dividend of an amount equal to the Volume Weighted Average Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets as at the first date on which the Ordinary Shares are traded ex- the relevant capitalisation or, as the case may be, ex- the relevant dividend on the Relevant Stock Exchange or, if later, the Dividend Determination Date, save that where a dividend in cash is announced which is to be satisfied by the issue or delivery of Ordinary Shares where the number of Ordinary Shares to be issued or delivered is to be determined during a period following such announcement and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount or premium to such price or benchmark, then such dividend shall be treated as a Cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is determined as aforesaid;
- (b) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than (or in addition to) the Issuer, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly;
- (c) where a dividend in cash is declared which provides for payment to Shareholders in the Relevant Currency, whether at the option of Shareholders or otherwise, it shall be treated as a Cash Dividend in the amount of such Relevant Currency and in any other case it shall be treated as a Cash Dividend in the amount and in the currency in which it is payable to the Shareholders; and
- (d) a dividend or distribution that is a Spin-Off shall be deemed to be a Non Cash Dividend, and any such determination shall (save in the case of determining the Fair Market Value of the Net Amount of a Relevant Dividend pursuant to Condition 5(a)) be made (by the Calculation Agent) on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

“**Ex-Date**” means, in respect of any Dividend, the first Scheduled Trading Day on which the Ordinary Shares are traded ex- such Dividend on the Relevant Stock Exchange.

“**Net Amount**” means, in respect of any Relevant Dividend, the amount in respect of such Relevant Dividend as would be received, after any applicable withholding or deduction on

account of United Kingdom taxation, by a holder of the Ordinary Shares in respect of which such Relevant Dividend is paid or made that is a bank or financial institution resident for tax purposes in the United Kingdom and within the charge to corporation tax, and disregarding any associated tax credit. If there are one or more Hedging Counterparties on the Relevant Record Date in respect of such Relevant Dividend, the Net Amount in respect thereof shall be determined in good faith by the Issuer in consultation with such Hedging Counterparty or Hedging Counterparties, as the case may be, and notified by it to the Calculation Agent no later than on such Relevant Record Date. If there is no Hedging Counterparty on the Relevant Record Date in respect of such Relevant Dividend as aforesaid, the Net Amount in respect thereof shall be determined in good faith by an Independent Adviser no later than on such Relevant Record Date. The Calculation Agent shall rely upon, and shall not be liable and shall not incur any liability as against the Issuer, the Trustee, the Bondholders or any other party in respect of, any such determination by the Issuer or an Independent Adviser as aforesaid.

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

“Relevant Record Date” means, in respect of any Cash Dividend or Non Cash Dividend, the Scheduled Trading Day which immediately precedes the relevant Ex-Date in respect of such Cash Dividend or Non Cash Dividend, as the case may be.

“Spin-Off” means:

- (a) a distribution of Spin-Off Securities by the issuer of an Ordinary Share to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted) by any entity (other than the issuer of an Ordinary Share) to Shareholders as a class, pursuant in each case to any arrangements with the issuer of an Ordinary Share or any of its Subsidiaries,

in each case other than in the circumstances the subject of paragraph (a) of the definition of “Dividend”.

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

(b) *Summary of certain aspects of the ICE Futures Europe Corporate Actions Policy*

The ICE Futures Europe Corporate Actions Policy provides for adjustments of options contracts in respect of shares, including the Ordinary Shares, which would likely be applied by ICE Futures Europe in determining adjustments to the options contracts related to the Ordinary Shares.

The results of such adjustments will be applied by the Calculation Agent when determining adjustments of the Conversion Price, pursuant to Condition 5(a) with the modifications set out in Condition 5(b)(iv), except where the Corporate Action constitutes a Cash Dividend, Non Cash Dividend, Delisting, Nationalisation or other Corporate Action resulting in option contracts being settled at their theoretical fair value.

The ICE Futures Europe Corporate Actions Policy is subject to change from time to time.

However, changes made after the Launch Date will not have effect for the purposes of the Conditions, except as expressly provided in Condition 5(b)(iv)(B)(VI). If changes are made to the ICE Futures Europe Corporate Actions Policy, the Calculation Agent (or, as the case may be, pursuant to these Conditions, an Independent Adviser) will determine what the adjustment would have been if the policy

had not been amended (each such determination being a “Deemed Adjustment”) and Condition 5(b)(iv)(B) will apply.

Further, ICE Futures Europe retains the right to determine how any particular Corporate Action will be reflected in option contract adjustments on a case by case basis despite the provisions of the ICE Futures Europe Corporate Action Policy. Consequently, the ICE Futures Europe Corporate Action Policy provides only the methodology which will as a general rule be applied to cater for Corporate Actions and deviations may be made therefrom at any time. Neither the Issuer, the Calculation Agent nor the Trustee is responsible for informing Bondholders of any change at any time to the ICE Futures Europe Corporate Actions Policy. Conditions 5(b)(i), 5(b)(ii) and 5(b)(iii) are for information purposes only and have been prepared in order to provide Bondholders with summary information of potential adjustments following the occurrence of certain Corporate Actions and such adjustments are subject to change. The information has been adjusted to the extent practicable to fit with the terminology of the Bonds. However, ICE Futures Europe may apply the ICE Futures Europe Corporate Actions Policies differently, in particular with respect to the definition and determination of Corporate Action below. In the case of any discrepancy between this description and the ICE Futures Europe Corporate Actions Policy or actual option contract adjustments made by ICE Futures Europe, the ICE Futures Europe Corporate Actions Policy or the actual option contract adjustments made by ICE Futures Europe prior to any amendment of the ICE Futures Europe Corporate Actions Policy as applicable shall prevail.

(i) *Corporate Action*

For the purposes of this Condition 5(b), “**Corporate Action**” means any of the following events occurring prior to the Conversion Date:

- (A) a cash and/or scrip dividend, a bonus or scrip issue, a rights issue, a share split, subdivision or consolidation, a demerger or any other event affecting or giving rise to a right or entitlement attaching or accruing to the shares of, or ownership of shares in, a company; or
- (B) a takeover, merger or any arrangement, transaction or series of transactions which will or may result in the acquisition by any person or persons or any associated person or persons of a substantial proportion of the shares of a company; or
- (C) any other event which, in the opinion of ICE Futures Europe, impacts or may impact on an option contract in respect of the shares of a company.

These Corporate Actions and any adjustments made by ICE Futures Europe described below will be relevant to the determinations made by the Calculation Agent (or, as the case may be, as provided pursuant to these Conditions, an Independent Adviser) only if such Corporate Actions are not a Cash Dividend, a Non Cash Dividend, Delisting or Nationalisation which have been excluded from the scope of the applicability of the ICE Futures Europe Corporate Actions Policy pursuant to Condition 5(a) of these Conditions.

(ii) *Other defined terms*

For the purposes of this Condition 5(b):

“**cum entitlement**” means, in respect of a share, with the right, before a date determined and published from time to time by the stock exchange determined by ICE Futures Europe, to any Relevant Entitlement relating thereto.

“**EDSP**” means the exchange delivery settlement price determined by ICE Futures Europe in accordance with its rules.

“ex-entitlement” means, in respect of a share, without the entitlement, on or after a date determined and published from time to time by the stock exchange determined by ICE Futures Europe, to any Relevant Entitlement relating thereto.

“Lot Size” means the number of shares underlying one option contract.

“Ratio Method” means that ICE Futures Europe will determine and disclose the adjustment ratio if known or the equation necessary to calculate the ratio. The adjustment ratio will be rounded, using normal mathematical rounding conventions, to five decimal places. Application of the adjustment ratio with respect to exercise prices, the creation of reference prices, and Lot Sizes will be made with the rounded adjustment ratio. For option contracts the adjustment ratio is used to alter the Lot Size (by dividing the Lot Size by the ratio) and the exercise price (by multiplying the exercise price by the ratio). On exercise, delivery sellers are required to deliver the adjusted number of ex-entitlement shares in return for a consideration of the adjusted exercise price multiplied by the adjusted Lot Size. Equalisation payments will be made for all option contracts to neutralise the effect observed due to rounding of the Lot Size.

“Relevant Entitlement” means any one or more of a cash dividend, scrip dividend, bonus issue, scrip issue, rights issue, or any other right or entitlement, attaching or accruing to, or otherwise affecting, from time to time, a share or ownership of a share.

“Package Method” means that ICE Futures Europe will substitute the underlying shares in an option contract with a package of the ex-entitlement shares and the proportionate number of entitlements. In the case of physical delivery option contracts, on exercise, delivery sellers are required to deliver the ex-entitlement shares and the proportionate number of entitlements in consideration for the exercise price multiplied by the Lot Size. Fractions of shares will be settled in cash. No adjustment will be made to the Lot Size or exercise prices. In the case of cash settlement option contracts on exercise, the EDSP will be determined by aggregating the components which form the package. Daily settlement prices will not be adjusted to create reference prices and no adjustment will be made to the Lot Size or to the trading code.

Consequences of a Corporate Action pursuant to the ICE Futures Europe Corporate Actions Policy

Upon the occurrence of a Corporate Action, the following adjustments are likely to be made by ICE Futures Europe in respect of option contracts in respect of shares, including the Ordinary Shares, subject to any discretion exercised by ICE Futures Europe when performing the actual adjustments:

- (A) Bonus issues, stock splits, reverse stock splits, subdivisions or consolidations of share capital

The Ratio Method will be used to adjust option contracts to cater for a bonus issue, stock split, reverse stock split, subdivision or consolidation of share capital.

The adjustment ratio shall be constructed as follows:

$$\text{Adjustment Ratio} = \frac{(P - E) \times \left(\frac{O}{N}\right)}{P}$$

Where:

P = The official closing price or such other price as determined by ICE Futures Europe and set out in the notice relating to the Corporate Action of the cum entitlement share on the stock exchange determined by ICE Futures Europe

E = Value of the entitlement per share

O = Cum amount of shares (old)

$N = \text{Ex amount of shares (new)}$

For bonus issues, stock splits, reverse stock splits, subdivisions or consolidations, P and E are irrelevant. Therefore the formula for the adjustment ratio for bonus issues, stock splits, reverse stock splits, subdivisions or consolidations simply reads:

$$\text{Adjustment Ratio} = \frac{O}{N}$$

(B) Rights issues and open offers

The Ratio Method will be used to adjust option contracts to cater for rights issues and open offers. The Adjustment Ratio will be calculated by creating a ratio of the theoretical ex-entitlement share price to the cum entitlement share price.

For the avoidance of doubt, the ICE Futures Europe will make adjustments to option contracts where the entitlement issue creates an exclusive entitlement to existing shareholders, irrespective of the tradability of the entitlement. ICE Futures Europe will interpret a rights issue or an open offer to shareholders as a Corporate Action that creates an exclusive entitlement to shareholders, insofar that the entitlement has positive value.

Calculations of the value of the entitlement and the adjustment ratio for a straightforward issue are as follows:

Value of the Relevant Entitlement per share

$$E = \frac{(P - d - S)}{\left(\frac{h}{r} + x\right)}$$

Where:

E = Theoretical value of an entitlement

P = The official closing price or such other price as determined by ICE Futures Europe and set out in the notice relating to the Corporate Action of the cum entitlement share on the stock exchange determined by ICE Futures Europe

S = Subscription price of one new share

d = Dividend to which new shareholders are not entitled

h = Number of existing shares specified as eligible for the entitlement

r = Number of new shares specified as the entitlement

x = 1

Adjustment Ratio

$$\text{Adjustment Ratio} = \frac{(P - E)}{P}$$

The Adjustment Ratio will be applied to exercise prices and daily settlement prices as described in the Ratio Method at the close of business on the last business day that the company's shares are trading cum entitlement.

Where an entitlement issue entitles shareholders to take up securities that are not pari passu in all respects to those shares which derived the entitlement, or will not immediately convert into those shares, ICE Futures Europe may determine the value of the entitlement

by means of a members' survey. The survey will be conducted on the last business day that the company's shares are trading cum entitlement.

It should be noted that where a market auction facility is available on the stock exchange determined by ICE Futures Europe, ICE Futures Europe may, at its discretion, use the closing price of the rights from the market auction on the last cum entitlement trading day to determine a theoretical ex-entitlement share price.

ICE Futures Europe will have regard, where possible, to any adjustment or valuation methodology applied to any index which the underlying share may be a constituent of, to cater for the event.

(C) Demergers

The Package Method will be used to cater for demergers where shares of the demerged company can be delivered and settled in a qualifying settlement system and/or traded on a qualifying stock exchange as determined by ICE Futures Europe pursuant to the ICE Futures Europe Corporate Actions Policy and are denominated in the relevant currency of the option contracts.

If the shares of a demerged company cannot be delivered and settled in a settlement system and/or traded on a stock exchange determined by ICE Futures Europe and are not denominated in the relevant currency of the option contracts, then the Ratio Method will be applied.

The adjustment ratio will be calculated as follows

$$\text{Adjustment Ratio} = \frac{(\text{Cum entitlement share price} - \text{value of demerged company per share})}{\text{Cum entitlement share price}}$$

In the case that a demerger results in the creation of two or more companies, shares of those demerged companies will be subject to the above conditions, such that if the shares of each demerged company cannot be delivered and settled in a settlement system and/or traded on a stock exchange and are not denominated in the relevant currency of the option contracts, then the Ratio Method will be applied to the shares of those demerged companies, in their respective proportions.

In determining the value of a demerged company's shares for the purpose of applying the Ratio Method, ICE Futures Europe may conduct a members' survey on the last date which the company's shares are trading cum entitlement. However, on or prior to this date, if the value of shares in the demerged company can be determined from market trading on any facility operated by the stock exchange determined by ICE Futures Europe, then this value will be used in place of a members' survey.

If the demerged company is already traded on an exchange designated by ICE Futures Europe, ICE Futures Europe may adjust the contracts in accordance with the Ratio Method.

(D) Mergers and takeovers

To cater for a merger or takeover, ICE Futures Europe will use the structure of the headline offer ("offer consideration") to determine the adjustment methodology to apply to option contracts.

In general ICE Futures Europe will calculate implied volatilities for the purpose of (a possible) fair value settlement as described in the ICE Futures Europe Corporate Actions Policy, whether the offer is in stock, or in cash or in a combination of both.

The Ratio Method will be applied where the offer consideration is composed purely of shares in another company. The Ratio Method will only be employed should ICE Futures Europe deem that the shares which form the headline offer can be delivered and settled in a settlement system and/or traded on a stock exchange determined by ICE Futures Europe and are denominated in the relevant currency of the option contracts. In applying the Ratio Method to substitute the underlying value of the option contracts the adjustment ratio will be calculated as follows.

$$\text{Adjustment Ratio} = \frac{x}{y}$$

Where y is equal to the number of shares offered under the headline offer for every x shares held in the underlying company. This ratio will be applied as described in the Ratio Method, such that the underlying shares of the contract will be substituted in the same proportion as determined by the headline offer, for the shares that form the offer consideration. Use of the Ratio Method will ensure daily settlement prices and exercise prices are adjusted in line with the level of the new underlying shares. The Ratio Method will only be applied on cases where the new underlying shares that have resulted from the merger or takeover are denominated in the same currency as the relevant currency for the option contracts. Where this is not the case, a fair value methodology will be employed.

If ICE Futures Europe deems that those shares which form the offer consideration cannot be delivered and settled in a settlement system and/or traded on a stock exchange determined by ICE Futures Europe and are not denominated in the relevant currency of the option contracts, then the option contracts will be settled at their theoretical fair value (as described in the ICE Futures Europe Corporate Actions Policy).

Where the offer consideration is composed purely of cash, the option contracts will be settled at their theoretical fair value (as described in as described in the ICE Futures Europe Corporate Actions Policy).

Where the offer is composed of both shares and cash, and ICE Futures Europe deems that the share element cannot be delivered and settled in a settlement system and/or traded on a stock exchange determined by ICE Futures Europe and are not denominated in the relevant currency of the option contracts, then the option contracts will be settled at their theoretical fair value. If the share element can be delivered and settled in a settlement system and/or traded on a stock exchange determined by ICE Futures Europe and are denominated in the relevant currency of the option contracts, ICE Futures Europe will deem whether the Ratio Method may be applied, such that the resulting contracts would become contracts purely on the share element. In this case the Adjustment Ratio will be based on the share price of the company issuing the bid.

Generally ICE Futures Europe will seek to use the official closing price of the shares on the market where the company has its primary listing. However in cases where the company issuing the bid has its primary listing in a different time zone than the target company, ICE Futures Europe may use an official closing/opening price established on a secondary venue, use a VWAP calculation or use the EDSP calculation. Lastly, if the price of the share of the company issuing the bid is not available or cannot be determined at an appropriate time, ICE Futures Europe reserves the right to calculate the Adjustment Ratio on the basis of the share price of the target company.

In the circumstance that the cash element represents over 67% of the total offer consideration, the option contracts will be settled at their theoretical fair value (as described in the ICE Futures Europe Corporate Actions Policy), and the Ratio Method will not be applied. For the avoidance of doubt, once the Exchange has determined the

proportion of cash and made such announcement as to the type of adjustment methodology, the methodology will not then be changed simply due to share price movements affecting the proportion of cash.

$$\text{Adjustment Ratio} = \frac{(P_t - C) * \frac{O}{N}}{P_t}$$

$$P_t = C + (N * S)$$

Where:

P_t = Theoretical value of one share of the target company

N = Number of shares of the offeror received per share of the target company

$O = 1$

C = Cash element of the offer per share held

S = Cum event share price of the company that is issuing the offer (being the offeror)

Adjustments to option contracts will be made when a relevant offer is declared effective by the offeror and if the threshold of the majority of the outstanding shares (50% + 1) is met.

In the case of offers, whereby the relevant offer is a mandatory offer by law, ICE Futures Europe will use a threshold of 75% of the outstanding shares to determine whether the relevant offer is effective.

(E) *Share repurchases*

ICE Futures Europe will generally treat instances where a company repurchases its own shares in the market as a non-adjustable event. However, on occasions where a company makes an offer for its own shares at a premium to the prevailing market price, and where shareholders have equal opportunity to participate in the offer, ICE Futures Europe may, where practical, deem the share repurchase as an adjustable event.

(F) *Special circumstances*

If the underlying share of the option contract is no longer tradable and/or deliverable due to circumstances not described in the ICE Futures Europe Corporate Actions Policy, ICE Futures Europe will decide on a case by case basis what the consequences for the option contracts will be, and will inform the regulator at the same time as issuing a notice in relation to such event.

Adjustment by the Calculation Agent and/or Ordinary Shares of the Conversion Price following a Corporate Action

(A) *Prior to any amendment of the ICE Futures Europe Corporate Actions Policy*

(I) For the purpose of adjusting the Conversion Price following an adjustment by ICE Futures Europe to option contracts in respect of Ordinary Shares pursuant to the ICE Futures Europe Corporate Actions Policy in accordance with the Ratio Method, the Calculation Agent shall determine whether, when determining the Adjustment Ratio, ICE Futures Europe has used a price for the relevant share which:

- (i) is cum entitlement; and
- (ii) is not equal to (1) if the relevant Corporate Action is a rights issue, the Closing Price of an Ordinary Share on the Scheduled Trading Day

immediately preceding the first Scheduled Trading Day on which the Ordinary Shares are traded ex-entitlement, or (2) if the relevant Corporate Action is not a rights issue, the 5 Day VWAP,

such price used by ICE Futures Europe as aforesaid and satisfying both provisos (i) and (ii) being a “**Cum Entitlement Price**”. If the adjustment ratio has been determined by ICE Futures Europe based on a Cum Entitlement Price, the Calculation Agent shall recalculate the adjustment ratio using (1) if the relevant Corporate Action is a rights issue, the Closing Price referred to in paragraph (ii)(1) above, or (2) if the relevant Corporate Action is not a rights issue, the 5 Day VWAP referred to in paragraph (ii)(2) above, in each case instead of the Cum Entitlement Price (being the “**CA Adjustment Ratio**”).

For the purpose of adjusting the Conversion Price in respect of the Bonds the Calculation Agent shall multiply the Conversion Price in effect prior to the adjustment performed by ICE Futures Europe by the relevant CA Adjustment Ratio and the resulting adjusted Conversion Price shall apply as of the date from which the adjustment made by ICE Futures Europe applies.

Subject as provided in Condition 5(b)(iv)(A)(II) below, if the Calculation Agent determines that the Adjustment Ratio has been determined by ICE Futures Europe (i) based on the relevant Closing Price referred to in paragraph (ii)(1) above (in the context of a rights issue) or the 5 Day VWAP (in the context of any other Corporate Action) or (ii) pursuant to a formula that is not based on the price of a cum entitlement Ordinary Share, for the purpose of adjusting the Conversion Price in respect the Bonds the Calculation Agent shall multiply the Conversion Price in effect prior to the adjustment performed by ICE Futures Europe by the relevant Adjustment Ratio determined by ICE Futures Europe and the resulting adjusted Conversion Price shall apply as of the date from which the adjustment made by ICE Futures Europe applies.

- (II) The Adjustment Ratio (if any) determined by ICE Futures Europe following a merger or takeover shall be used by the Calculation Agent to determine the Conversion Price as provided in Condition 5(b)(iv)(A)(I) if the cash entitlement represents no more than 33% of the total offer consideration in relation to such merger or takeover, as determined and announced by ICE Futures Europe or (if no such determination has been announced by ICE Futures Europe) by the Calculation Agent or (where the Calculation Agent determines in its sole discretion it is not capable of making such determination in its capacity as Calculation Agent, or at the Issuer’s election in its sole discretion) an Independent Adviser. If the cash entitlement represents more than 33% but no more than 67% of the total offer consideration (as determined and announced by ICE Futures Europe or (if no such determination has been announced by ICE Futures Europe) as aforesaid by the Calculation Agent or, as the case may be, an Independent Adviser) in relation to such merger or takeover, then the Calculation Agent shall determine the Conversion Price as provided in Condition 5(b)(iv)(A)(I) with references to 5 Day VWAP replaced by references to 20 Day VWAP. If the cash entitlement represents more than 67% of the total offer consideration (as determined and announced by ICE Futures Europe or (if no such determination has been announced by ICE Futures Europe) as aforesaid by the Calculation Agent or, as the case may be, an Independent Adviser) in relation to such merger or takeover, there will be no adjustment of the Conversion Price in respect of such merger or takeover, an Accelerated Conversion Event shall be deemed to have occurred pursuant to sub-

paragraph (C) of the definition thereof and the provisions of Condition 4(d) will apply.

- (III) If ICE Futures Europe has applied the Package Method (and consequently an Adjustment Ratio has not been calculated and published), the Conversion Price will not be adjusted and what is considered an Ordinary Share will change pursuant to the definition of Ordinary Share.
 - (IV) If option contracts are settled at their theoretical fair value (as described in the ICE Futures Europe Corporate Actions Policy for a reason other than a delisting (as contemplated by the ICE Futures Europe Corporate Actions Policy) that does not constitute a Delisting) or in the case of Nationalisation or Delisting, the Conversion Price will not be adjusted in relation to such an event, what is considered an Ordinary Share will not change, an Accelerated Conversion Event shall be deemed to have occurred and the provisions of Condition 4(d) will apply.
- (B) Following any amendment of the ICE Futures Europe Corporate Actions Policy
- (I) Subject as provided in Condition 5(b)(iv)(B)(II) to 5(b)(iv)(B)(VI) below, for the purpose of adjusting the Conversion Price following an adjustment by ICE Futures Europe to option contracts in respect of Ordinary Shares in accordance with the Ratio Method following an amendment to the ICE Futures Europe Corporate Actions Policy, (i) if the Calculation Agent determines in its sole discretion it is capable of making such determination in its capacity as Calculation Agent, the Calculation Agent, or (ii) in any other case, an Independent Adviser, shall determine what the adjustment would have been if the policy had not been amended (each such determination being a “**Deemed Adjustment**”) and shall calculate in accordance with the ICE Futures Europe Corporate Actions Policy (without any amendment), any Adjustment Ratio required to be calculated for the purposes of such Deemed Adjustment, provided that the Calculation Agent (or, as the case may be, an Independent Adviser as aforesaid) shall use the Closing Price (if the relevant Corporate Action is a rights issue) or the 5 Day VWAP (in the case of any other Corporate Action) instead of any Cum Entitlement Price for the purpose of such calculation (in each case in like manner as provided in Condition 5(b)(iv)(A)(I)).
 - (II) Following a merger or takeover (i) if the Calculation Agent determines in its sole discretion it is capable of making such determination in its capacity as Calculation Agent, the Calculation Agent, or (ii) in any other case, an Independent Adviser, shall determine the Conversion Price as provided in Condition 5(b)(iv)(B)(I) if the cash entitlement represents no more than 33% of the total offer consideration in relation to such merger or takeover. If the cash entitlement represents more than 33% but no more than 67% of the total offer consideration in relation to such merger or takeover, then the Calculation Agent shall determine the Conversion Price as provided in Condition 5(b)(iv)(B)(I) with references to 5 Day VWAP replaced by references to 20 Day VWAP. If the cash entitlement represents more than 67% of the total offer consideration in relation to such merger or takeover, there will be no adjustment of the Conversion Price in respect of such merger or takeover, an Accelerated Conversion Event shall be deemed to have occurred pursuant to sub-paragraph (C) of the definition thereof and the provisions of Condition 4(d) will apply.
 - (III) Any adjustment pursuant to 5(b)(iii)(E) or 5(b)(iii)(F) will be made by an Independent Adviser.

- (IV) For the purpose of this Condition 5(b)(iv)(B), in the case of a demerger (i) the Package Method will be applied if the Relevant Stock Exchange (as defined in these Conditions) for the shares of the demerged company is a stock exchange or securities market located in the United Kingdom or the European Union and (ii) the Ratio Method will be used to make adjustments if Ordinary Shares of the demerged company can not be so delivered, settled and/or traded.
- (V) If pursuant to the ICE Futures Europe Corporate Actions Policy (without any amendment) the Package Method is applied by the Calculation Agent (or, as the case may be, an Independent Adviser as aforesaid) (and consequently an Adjustment Ratio has not been determined), the Conversion Price will not be adjusted and what is considered an Ordinary Share will change pursuant to the definition of Ordinary Share.
- (VI) If option contracts are settled at their theoretical fair value (as described in the amended ICE Futures Europe Corporate Actions Policy for a reason other than a delisting (as contemplated by the amended ICE Futures Europe Corporate Actions Policy) that does not constitute a Delisting) or in the case of Nationalisation or Delisting, the Conversion Price will not be adjusted in relation to such an event, what is considered an Ordinary Share will not change, an Accelerated Conversion Event shall be deemed to have occurred and the provisions of Condition 4(d) will apply.

(c) *Calculation of Adjustments and roundings:*

Adjustments in accordance with this Condition 5 (other than Condition 5(a)(ii), which shall become effective as provided therein) will become effective as of the same date as any corresponding adjustments made by ICE Futures Europe, provided that any adjustment made in accordance with the second paragraph of Condition 5(a)(i)(A) or in accordance with Condition 5(b)(iv)(B) shall become effective as of the date determined to be the effective date by the Calculation Agent, or, as the case may be, an Independent Adviser.

No adjustment in accordance with this Condition 5 will be made if the effective date for such adjustment falls after the Conversion Date. For the avoidance of doubt, Condition 5(a)(ii) provides that the effective date for an adjustment to the Conversion Price in respect of a Relevant Dividend will be the Ex-Date for such Relevant Dividend. Accordingly, provided the Ex-Date for a Relevant Dividend falls on or before the Conversion Date, the relevant adjustment to the Conversion Price will be effective as at the Conversion Date.

Adjustments to the Conversion Price pursuant to this Condition 5 shall be determined and calculated in good faith by the Calculation Agent and/or, to the extent so specified in these Conditions, by an Independent Adviser. Adjustments to the Conversion Price calculated by the Calculation Agent or, where applicable, an Independent Adviser and any other determinations made by the Calculation Agent or, where applicable, an Independent Adviser pursuant to these Conditions shall be final and binding (in the absence of manifest error) on the Issuer, the Trustee and the Bondholders. The Calculation Agent may, subject to the provisions of the Calculation Agency Agreement, consult, at the expense of the Issuer, on any matter (including but not limited to, any legal matter), with any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Issuer or the Bondholders in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion. The Calculation Agent shall act solely upon request from and as agent of the Issuer and the Calculation Agent or, as the case may be, any Independent Adviser appointed by the Issuer in accordance with these Conditions, will not thereby assume any obligations towards or relationship of agency or trust with, and they shall not be liable and shall incur no liability as against, the Bondholders.

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

Any adjustment to the Conversion Price determined will, if necessary, be rounded to four decimal places, with £0.00005 being rounded upwards, and any subsequent adjustments shall be made on the basis of such adjusted Conversion Price so rounded.

(d) *Notifications of Adjustments*

The Issuer will give notice to Bondholders (in accordance with Condition 17), to the Trustee and (if not determined by the Calculation Agent) to the Calculation Agent of any adjustment to the Conversion Price pursuant to this Condition 5 as soon as reasonably practicable.

(e) *No Duty to Monitor*

Neither the Calculation Agent, the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Conversion Price or Ordinary Share (pursuant to the definition thereof) and none of them will be responsible or liable to the Bondholders for any loss arising from any failure by it to do so, and neither shall the Trustee, the Calculation Agent nor any Agent be responsible or liable to any person (other than, in the case of the Calculation Agent, to the Issuer pursuant and subject to the relevant provisions of the Calculation Agency Agreement) for any determination of whether or not an adjustment to the Conversion Price or Ordinary Share (as aforesaid) is required or should be made, nor as to the determination or calculation of any such adjustment.

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

No adjustment will be made to the Conversion Price where Ordinary Shares or other Securities are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the issuer of the Ordinary Shares or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme or pursuant to any dividend reinvestment plan or similar plan or scheme.

6 Procedure for Conversion

(a) *Conversion Notices*

As a precondition to any delivery of any Ordinary Shares pursuant to a Mandatory Conversion of the Bonds (but not, for the avoidance of doubt, to the payment of any Make-whole Amount, accrued interest or Arrears of Interest in connection with any such conversion), a Bondholder shall be required to deliver the relevant Certificate or Certificates representing such Bonds together with a duly completed and signed notice of conversion (a “**Conversion Notice**”), in the form (for the time being current) obtainable from any Paying, Transfer and Conversion Agent, to the specified office of any Paying, Transfer and Conversion Agent by not later than five Scheduled Trading Days prior to the relevant Settlement Date.

Subject as provided in Condition 4(c) and 6(f), a Bondholder may exercise the Bondholder Voluntary Conversion Right by delivering the Certificate or Certificates representing its Bonds (together with a duly completed and signed Conversion Notice) to the specified office of any Paying, Transfer and Conversion Agent. Such exercise may only be in respect of an authorised denomination (as defined in Condition 1(a)) or a whole multiple thereof.

In the relevant Conversion Notice the Bondholder is required to designate, *inter alia*, details of the account with CREST and the name or names in which the Ordinary Shares shall be credited.

If, in the case of a Mandatory Conversion of any Bonds, the Conversion Notice and/or the relevant Certificate(s) representing such Bonds are not delivered to the specified office of a Paying, Transfer and Conversion Agent by not later than the date which is scheduled to be five Scheduled Trading Days prior to the relevant Settlement Date (such Bonds being the “**Unsurrendered Bonds**”), the relevant Ordinary Shares will be issued and/or transferred and delivered to a person (the “**Relevant Person**”) selected by the Issuer on the relevant Settlement Date. Upon issue and/or transfer and delivery of the relevant Ordinary Shares to or to the order of the Relevant Person, the Bondholders shall have no further rights to delivery of Ordinary Shares under the Unsurrendered Bonds and their entitlement shall instead be to the net proceeds of sale of the relevant Ordinary Shares, subject to and in accordance with this Condition 6(a). The Issuer shall procure that all of such Ordinary Shares shall be sold by or on behalf of the Relevant Person as soon as practicable based on advice from an Independent Adviser, and (subject to any necessary consents being obtained and to the deduction by or on behalf of the Relevant Person of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration and transfer taxes or duties (if any) and any fees or costs incurred by the Issuer (including in respect of the appointment of the Independent Adviser and the Relevant Person) and/or by or on behalf of the Relevant Person in connection with the allotment and sale thereof) the Issuer shall procure that the net proceeds of sale (converted if necessary as soon as practicable following completion of such sale into pounds sterling at such rate as the Independent Adviser shall determine to be appropriate on the basis of the middle spot rate for the relevant currency against the pound sterling at or around 12 noon (London time) on the day on which the relevant conversion is effected, as quoted by the relevant financial institution(s) effecting such conversion) shall be distributed to the Bondholders of the Unsurrendered Bonds in whose name(s) such Unsurrendered Bonds are registered in the Register on the date falling five business days (in the place of the specified office of the Registrar) prior to the relevant Settlement Date, in proportion to the aggregate principal amount of such Unsurrendered Bonds held by each such relevant Bondholder.

Any such cash amount paid as aforesaid to a Bondholder pursuant to this Condition 6(a), along with any applicable accrued interest, Arrears of Interest and/or Make-whole Amount shall be treated for all purposes as discharging the Issuer’s obligations in respect of the Mandatory Conversion of the relevant Bonds, and all rights of each relevant Bondholder to principal and interest in respect of such Bonds shall be extinguished upon the payment of the relevant amount in accordance with this Condition 6(a) and the payment of any applicable accrued interest, Arrears of Interest and/or Make-whole Amount.

(b) Determination

If delivery of a Conversion Notice is made after 4.00 p.m. London time on any day or is made on a day which is not a business day in the place of the specified office of the relevant Paying, Transfer and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

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

A Conversion Notice, once delivered, shall be irrevocable.

(c) Delivery of Ordinary Shares

The Issuer may, in its own discretion, decide to fulfil its obligations in connection with any duly completed and properly delivered Conversion Notice by the transfer of existing Ordinary Shares or by the allotment and issue of new Ordinary Shares.

Ordinary Shares to be issued or transferred or delivered to a Bondholder on a Mandatory Conversion or a Voluntary Conversion will be issued or transferred or delivered in uncertificated form through the

dematerialised securities trading system operated by Euroclear UK and Ireland Limited, known as CREST (“**CREST**”).

Ordinary Shares will be delivered to the account specified by the relevant Bondholder in the relevant Conversion Notice by not later than the relevant Settlement Date.

Ordinary Shares to be issued or transferred and delivered to a Bondholder on a Mandatory Conversion (or if applicable, to the Relevant Person in accordance with Condition 6(a)) or a Voluntary Conversion will not be available for issue or transfer and delivery (i) to, or to a nominee or agent for, Euroclear Bank S.A./N.V. (“**Euroclear**”) or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depositary receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the “abolition day” as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom.

(d) Ordinary Shares

Ordinary Shares delivered or issued upon conversion of the Bonds will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date, except that such Ordinary Shares will not rank for any rights, distributions or payments if the record date or other due date for the establishment of entitlement for any such right, distribution or payment falls prior to the relevant Conversion Date.

(e) Settlement Disruption

Where the issue or delivery of any Ordinary Shares is required under the Conditions and a Settlement Disruption Event occurs on the relevant Settlement Date, and delivery of any Ordinary Shares cannot be effected on such Settlement Date, then such Settlement Date will (for the purposes of the delivery of the Ordinary Shares only, but not in connection with any payment which might otherwise be due on such Settlement Date) be postponed until the first succeeding calendar day on which delivery can take place through a national or international settlement system or in any other commercially reasonable manner.

(f) U.S. Certificate on a Voluntary Conversion

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

7 Purchase and Cancellation

(a) Purchase of Bonds

The Issuer or any of its Subsidiaries may at any time purchase Bonds in any manner and at any price.

(b) Cancellation

All Bonds which are converted pursuant to these Conditions will forthwith be cancelled and may not be held, reissued or resold.

Bonds purchased by the Issuer or any of its Subsidiaries may be surrendered to the Principal Paying, Transfer and Conversion Agent for cancellation or may, at the Issuer's option, be held, reissued or resold.

8 Payments

(a) *Payment of interest and other amounts*

Payment of:

- (i) any cash amount(s) related to the conversion of any Bond (including any accrued interest, Make-whole Amount and Arrears of Interest payable as a result of any Mandatory Conversion) will be made to the persons shown in the Register at the close of business on the fifth business day, in the place of the specified office of the Registrar, before the relevant Settlement Date;
- (ii) any Interest Payment and Arrears of Interest due on any Interest Payment Date in respect of the Bonds, or any Arrears of Interest due on any other date following the exercise by the Issuer of its option pursuant to Condition 3(b)(ii), and not in any such case otherwise falling within paragraph (i) of this Condition 8(a), will be made to the persons shown in the Register at the close of business on the Record Date;
- (iii) any Arrears of Interest due on any date and not otherwise falling within paragraphs (i) to (ii) of this Condition 8(a), will be made to the persons shown in the Register at the close of business on the business day, in the place of the specified office of the Registrar, immediately before the relevant Mandatory Settlement Date; and
- (iv) any amounts other than as provided above will be made as provided in these Conditions.

(b) *Record Date*

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

The Bonds will, on issue, be represented by a global Certificate which will be deposited with, and registered in the name of a nominee for, a depositary common to Euroclear Bank and Clearstream, Luxembourg.

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

(c) *Payments*

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

(d) *Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to (a) any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9, and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **"Code"**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(e) *Delay in payment*

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day. In this Condition 8(e),

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London and the place in which the specified office of the Registrar is located.

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

The Issuer reserves the right with the prior written approval of the Trustee under the Agency Agreement at any time to vary or terminate the appointment of any Paying, Transfer and Conversion Agent or the Registrar and appoint additional or other Paying, Transfer and Conversion Agents, provided that it will:

- (a) maintain a Principal Paying, Transfer and Conversion Agent; and
- (b) maintain a Registrar.

The Issuer reserves the right, subject to the prior written approval of the Trustee, under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent and appoint additional or other Calculation Agents, provided that it will maintain a Calculation Agent, which shall be a financial institution of international repute or a financial adviser with appropriate expertise.

Notice of any change in the Paying, Transfer and Conversion Agents, the Registrar or the Calculation Agent or (other than in the case of the Calculation Agent) their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

(g) *No charges*

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

(h) *Rounding of payments*

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

9 **Taxation**

All payments by or on behalf of the Issuer in respect of the Bonds will be made without withholding or deduction for any present or future taxes, assessments or other governmental charges (“**Taxes**”) of any Relevant Jurisdiction (or any political sub-division or taxing authority thereof or therein), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts due in respect of the Bonds (“**Additional Amounts**”) as may be necessary in order that the net amount received by each holder of any Bond who, with respect to any such Tax, is not resident in the Relevant Jurisdiction, after such withholding or deduction shall be not less than the respective amount to which such holder would have been entitled in respect of such Bond in the absence of the withholding or deduction; provided however, that the Issuer shall not be required to pay any Additional Amounts (1) for or on account of any such Tax imposed by the United States (or any political subdivision or taxing authority thereof or therein) or (2) for or on account of:

- (i) any Tax which would not have been imposed but for (a) the existence of any present or former connection between a holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation) and the Relevant Jurisdiction or any political subdivision or territory or possession thereof or area subject to its jurisdiction, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein

or (b) the surrender of such Bond (x) for payment on a date more than 30 days after the Relevant Date or (y) in the Relevant Jurisdiction; or

- (ii) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge; or
- (iii) any Tax which is payable otherwise than by withholding or deduction from payments of (or in respect of) any cash amount in respect of such Bond; or
- (iv) any Tax that is imposed or withheld by reason of the failure by the holder or any beneficial owner of such Bond to comply with a request of the Issuer given to the holder in accordance with Condition 17 (a) to provide information concerning the nationality, residence or identity of the holder or any beneficial owner or (b) to make any declaration or other similar claim or satisfy any information or reporting requirements, which, in the case of (a) or (b), is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Jurisdiction as a precondition to exemption from all or part of such Tax; or
- (v) any combination of items (i), (ii), (iii) and (iv) above,

nor shall the Issuer be required to pay any Additional Amounts with respect to any payment of any cash amounts in respect of any Bond to any holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Jurisdiction (or any political subdivision or taxing authority thereof or therein) to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner which would not have been entitled to such Additional Amounts had it been the holder of such Bond.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Bonds by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (and any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any Paying, Transfer and Conversion Agent or any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

References in these Conditions to any amount payable by or on behalf of the Issuer in respect of the Bonds shall be deemed to include any Additional Amounts which may be payable in accordance with this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

10 Enforcement Events

There are no events of default in respect of the Bonds.

However, if an Enforcement Event occurs, the Trustee at its sole discretion may, and shall if so directed by an Extraordinary Resolution of the Bondholders or requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), prove and/or claim in the winding-up or administration of the Issuer in respect of the Bonds, such claim being subordinated, and for the amount, as provided in Condition 1(d).

The Trustee may at any time, at its discretion and without further notice, institute such proceedings or take any other action as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Bonds but in no event shall the Issuer by virtue of such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. The Trustee shall not be bound to institute any such proceedings or any other action in relation to the Trust Deed or the Bonds unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No remedy against the Issuer, other than as referred to in this Condition 10 and Condition 15, shall be available to the Trustee or Bondholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Bonds or in respect of any other breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Bonds.

11 Undertakings

The Issuer will use all reasonable endeavours to cause to be made an application for the Bonds to be admitted to trading on the Global Exchange Market of Euronext Dublin or on another regularly operating market which in any case is a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007 (as the same may be amended or suspended from time to time) prior to 12 September 2019 and use all reasonable endeavours to maintain such admission or admission on an alternative recognised stock exchange (within the meaning as aforesaid) for so long as any Bond remains outstanding,

In addition, and for so long as any Bond remains outstanding, the Issuer will (i) use all reasonable endeavours to ensure that the Ordinary Shares allotted and issued or transferred and delivered (as the case may be) following Mandatory Conversion or Voluntary Conversion will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange (if any) on which the Ordinary Shares generally are then admitted to listing and trading and (ii) at all times maintain all authorisations necessary to enable it to issue and allot or transfer and deliver, as the case may be, free from pre-emptive rights or other similar preferential rights, such number of Ordinary Shares as may be required to be delivered upon Mandatory Conversion or a Voluntary Conversion.

12 Prescription

Claims for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years from the appropriate Relevant Date in respect of such payment and claims in respect of the delivery of Ordinary Shares upon conversion of the Bonds shall be prescribed and become void unless made within 10 years of the relevant Settlement Date.

13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Paying, Transfer and Conversion Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case upon payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Meetings of Bondholders, Modifications, Waivers and Substitution

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Bonds, the Agency Agreement and the Calculation Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*,

(i) to change the Final Maturity Date, (ii) to modify the circumstances in which the Issuer or a Bondholder is entitled or required to convert the Bonds, (iii) to reduce or cancel the principal amount of the Bonds or any interest or Arrears of Interest payable or any Make-whole Amount payable in respect of the Bonds, (iv) to modify the provisions relating to conversion of the Bonds (other than a reduction to the Conversion Price), (v) to increase the Conversion Price (other than in accordance with these Conditions), (vi) to change the currency of the denomination of the Bonds or of any payment in respect of the Bonds, (vii) to change the governing law of the Bonds, the Trust Deed, the Calculation Agency Agreement or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)) or (viii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than three-fourths, or at any adjourned meeting not less than one-fourth, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed by the Bondholders shall be binding on all Bondholders (whether or not they were present at any meeting at which such resolution was passed and whether or not they voted on such resolution).

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

(b) Modification of the Trust Deed

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

(c) Substitution

The Trustee may, without the consent of the Bondholders, agree to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition 14(c)) as the principal debtor under the Bonds and the Trust Deed of (i) a successor in business (as defined in the Trust Deed) to the Issuer or (ii) any Subsidiary of the Issuer, in each case subject to (a) (other than in the case of a substitution of a successor in business in place of the Issuer or any previous substitute) the Bonds being unconditionally and irrevocably guaranteed by the Issuer, and (b) the Bonds continuing to be convertible or exchangeable into Ordinary Shares as provided in these Conditions *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate provided that in any such case, (x) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the

law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified to the Bondholders promptly in accordance with Condition 17.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders, except to the extent provided for in these Conditions or the Trust Deed.

15 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer in accordance with Condition 10 as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such proceedings or any other action or step in relation to the Trust Deed or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Bondholder shall be entitled to proceed or take any other action or steps directly against the Issuer unless the Trustee, having become entitled and bound so to proceed or act, fails so to do within a reasonable period and the failure shall be continuing. In such event, such Bondholder may, in respect of its Bonds, take any action which the Trustee would otherwise have been permitted to take in respect of those Bonds. Any proceeds received by a Bondholder pursuant to any such proceedings, actions or steps brought by a Bondholder shall be paid promptly following receipt thereof to the Trustee (for application pursuant to the terms of the Trust Deed).

16 The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings and/or any other action under these Conditions or the Trust Deed unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution, an Independent Adviser or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and, where the Trustee does so accept and rely, such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders in the absence of manifest error.

17 Notices

All notices regarding the Bonds will be valid if published through the electronic communication system of Bloomberg. Any such notice shall be deemed to have been given on the date of such publication. The Issuer shall also ensure that all notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the

time being listed and/or admitted to trading. If publication as provided above is not practicable, notice will be given by publication in a newspaper of general circulation in London (which is expected to be the *Financial Times*).

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

Notwithstanding the above, for so long as all the Bonds are represented by a Global Bond and the Global Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg and such notices shall be deemed to have been given to Bondholders on the day of delivery to Euroclear and/or Clearstream, Luxembourg.

18 Further Issues

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

19 Rights of Third Parties

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

20 Governing Law

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

21 Transfer of Bonds

(a) Transfers

One or more Bonds may, subject to Condition 21(b), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Paying, Transfer and Conversion Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Paying, Transfer and Conversion Agent may reasonably require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder upon request.

(b) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 21(a) shall be available for delivery within three business days of receipt of the form of transfer and surrender of the existing Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Paying, Transfer and Conversion Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Paying, Transfer and Conversion Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 21(b), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Paying, Transfer and Conversion Agent or the Registrar (as the case may be).

(c) **Transfers Free of Charge**

Transfers of Certificates on registration, transfer, exercise of an option or redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or any Paying, Transfer and Conversion Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Paying, Transfer and Conversion Agent may require).

(d) **Closed Periods**

No Bondholder may require the transfer of an Bond to be registered (i) during the period of 15 days ending on the Conversion Date in respect of a conversion of the Bonds pursuant to Condition 4; (ii) in respect of which a Conversion Notice has been delivered in accordance with Condition 4(c); or (iii) during the period from and including any Record Date in respect of any payment of interest on the Bonds to and including the due date for such payment.