

The issue of the £240,000,000 3.95 per cent. Convertible Bonds due 2010 (the “**Bonds**”, which expression shall, unless otherwise indicated, include any further bonds issued in accordance with Condition 15 and consolidated and forming a single series with the Bonds) of Liberty International PLC (the “**Issuer**”) was authorised by a resolution of the Board of Directors of the Issuer passed on 15 September 2003 and resolutions of a committee of the Board of Directors of the Issuer passed on 17 September 2003 and 9 October 2003. The Bonds are constituted by a trust deed dated 16 October 2003 (the “**Trust Deed**”) between the Issuer and Deutsche Trustee Company Limited (the “**Trustee**”, which expression shall include all persons who for the time being are trustee or trustees under the Trust Deed) as Trustee for the holders of the Bonds (the “**Bondholders**”). The statements set out in these Terms and Conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Bonds in both global and definitive form. The Bondholders and the holders of the Coupons (as defined below) (the “**Couponholders**”) 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 applicable to them of the Paying and Conversion Agency Agreement dated 16 October 2003 (the “**Agency Agreement**”) relating to the Bonds between the Issuer, the Trustee, HSBC Bank plc (the “**Principal Paying and Conversion Agent**”, which expression shall include any successor as Principal Paying and Conversion Agent under the Agency Agreement) and the other Paying and Conversion Agents for the time being (such persons, together with the Principal Paying and Conversion Agent, unless the context otherwise requires, being referred to below as the Paying and Conversion Agents, which expression shall include their successors as Paying and Conversion Agents under the Agency Agreement). Copies of each of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being at the date of issue hereof at Winchester House, 1 Great Winchester Street, London EC2N 2DB) and at the specified offices of the Paying and Conversion Agents.

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 and Title

(a) Form and Denomination

The Bonds are in bearer form, serially numbered, in the denomination of £1,000 each with interest coupons (“**Coupons**”) attached on issue. Each Bond will entitle the holder to convert such Bond into registered ordinary shares in the share capital of the Issuer (“**Ordinary Shares**”) as described in Condition 6.

(b) Title

Title to the Bonds and Coupons will pass by delivery. The holder of any Bond or Coupon will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss) and no person will be liable for so treating the holder.

2 Status of the Bonds

The Bonds and the Coupons are direct, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference among themselves and (subject as aforesaid) with all its other present and future unsubordinated and unsecured obligations but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

3 Negative Pledge

- (a) So long as any of the Bonds remains outstanding (as defined in the Trust Deed), the Issuer will ensure that no Relevant Indebtedness (as defined below) of the Issuer or any of its Subsidiaries and no guarantee by the Issuer or any of its Subsidiaries of any Relevant Indebtedness of any other person will be secured by any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”) upon, or with respect to, all or any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Subsidiaries unless the Issuer shall, before or at the same time as the creation of the Security Interest, take any and all action necessary to ensure that:
- (i) all amounts payable by it under the Bonds, the Coupons and the Trust Deed are secured equally and rateably with the Relevant Indebtedness or guarantee, as the case may be, by the Security Interest to the satisfaction of the Trustee; or
 - (ii) such other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided either (A) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (B) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders,

save that the Issuer or any of its Subsidiaries may create or have outstanding a Security Interest in respect of Relevant Indebtedness and/or guarantees given by the Issuer or any of its Subsidiaries in respect of Relevant Indebtedness of any other person (without the obligation to provide a Security Interest or guarantee or other arrangement in respect of the Bonds, the Coupons and the Trust Deed as aforesaid) where such Security Interest is in respect of a company or other entity becoming a Subsidiary of the Issuer after 13 October 2003 and where such Security Interest exists at the time that company or other entity becomes a Subsidiary of the Issuer (provided that such Security Interest was not created in contemplation of such company or other entity becoming a Subsidiary of the Issuer) and any Security Interest thereafter created in substitution for such original Security Interest, by the same grantor as of such original Security Interest, which is created over or secured on assets whose value immediately prior to such substitution, in the opinion of the Trustee, does not materially exceed the then current value of the assets subject to such original Security Interest.

- (b) For the purposes of these Conditions:
- (i) “**Excluded Subsidiary**” means any Subsidiary of the Issuer:
 - (a) whose principal assets and business are constituted by the ownership, acquisition, development and/or operation of assets or contracts;
 - (b) whose indebtedness for borrowed money comprises Project Finance Indebtedness only; and
 - (c) which has been designated as such by the Issuer by a certificate addressed to the Trustee and signed by two Directors of the Issuer,provided that any Excluded Subsidiary that fails to comply with (b) shall immediately cease to be an Excluded Subsidiary;
 - (ii) “**Group**” means the Issuer and all its Subsidiaries from time to time and “**member of the Group**” shall be construed accordingly;
 - (iii) “**indebtedness for borrowed money**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (A) money borrowed, (B) liabilities under or in respect of any acceptance or acceptance credit or (C) any notes, bonds, debentures, debenture stock, loan stock or other debt securities offered, issued or distributed by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;
 - (iv) “**Project Finance Indebtedness**” means any indebtedness for borrowed money to finance the ownership, acquisition, development and/or operation of an asset or assets in respect of which the person or persons to whom any such indebtedness for borrowed money is or may be owed

by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group (other than an Excluded Subsidiary) for the repayment thereof except for:

- (a) recourse to any shareholder or the like in the borrower over its shares or the like (in each case, to the extent paid up) in the capital of or shareholder loans or the like (in each case, to the extent drawn) to the borrower to secure such indebtedness for borrowed money; and/or
- (b) recourse to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or an obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition) by the person against whom such recourse is available;
- (v) “**Relevant Indebtedness**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of or represented by notes, bonds, debentures, debenture stock, loan stock or other debt securities offered, issued or distributed by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash, and which with the agreement of the person issuing the same, are quoted, listed or ordinarily dealt in on any stock exchange or recognised over-the-counter or other securities market, but shall in any event not include Project Finance Indebtedness;
- (vi) “**Subsidiary**” means a subsidiary within the meaning of section 736 of the Companies Act 1985; and
- (vii) any reference to an obligation being guaranteed shall include a reference to an indemnity being given in respect of the obligation.

4 Interest

(a) Interest Rate

The Bonds bear interest from (and including) 16 October 2003 (the “**Closing Date**”) at the rate of 3.95 per cent. per annum payable semi-annually in equal instalments in arrear on 31 March and 30 September in each year (each an “**Interest Payment Date**”), except that the first payment of interest, to be made on 31 March 2004, will be in respect of the period from (and including) the Closing Date to (but excluding) 31 March 2004 and will amount to £18.10 per Bond.

(b) Interest Accrual

Each Bond will cease to bear interest (i) when the Conversion Right (as defined in Condition 5) shall have been exercised by a Bondholder (or, in the case of exercise of the Conversion Right by the Trustee pursuant to Condition 5(f), the Trustee) from, and including, the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any case as provided in Condition 5(h)), or (ii) from, and including, the due date for redemption thereof unless, upon due presentation of the relevant Bond, payment of principal is improperly withheld or refused. In such event such Bond shall continue to bear interest at the aforesaid rate (both before and after judgment) until whichever is the earlier of (1) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (2) the day seven days after the Trustee or the Principal Paying and Conversion Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than one year (other than a semi-annual period), it will be calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5 Conversion of Bonds into Ordinary Shares

(a) Conversion Period and Conversion Price

Subject as provided in Condition 5(d), each Bond shall entitle the holder to convert (such right a “**Conversion Right**”) such Bond into Ordinary Shares in the capital of the Issuer, credited as fully paid. A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond to the specified office of any Paying and Conversion Agent in accordance with Condition 5(e) whereupon the Issuer shall, subject as provided in Condition 5(d), issue to the Bondholder Ordinary Shares credited as paid up in full as provided in this Condition 5. Subject to, and in compliance with, the provisions of these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from 26 November 2003 to the close of business (at the place where the relevant Bond is delivered for conversion) on the date falling seven days prior to the Final Maturity Date (as defined in Condition 6(a)) (both days inclusive) or, if the Bonds shall have been called for redemption pursuant to Condition 6(b) prior to the Final Maturity Date, then up to the close of business (at the place aforesaid) on the seventh day before the date fixed for redemption thereof, unless, in any such case, there shall be default in making payment in respect of such Bond on such date fixed for redemption, in which event the Conversion Right shall extend (unless already exercised by the Trustee pursuant to Condition 5(f)) up to the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 16 or, if earlier, the Final Maturity Date, provided that in each case if the final such date for the exercise of Conversion Rights is not a business day at the place aforesaid then the period for exercise of the Conversion Right by Bondholders shall end on the immediately preceding business day at the place aforesaid. The period during which Conversion Rights may be exercised by a Bondholder is referred to as the “**Conversion Period**”. As used in these Conditions with respect to any place, “**business day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in such place.

A Conversion Right may not be exercised following the giving of notice by the Trustee pursuant to Condition 11.

The number of Ordinary Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the relevant Bonds by the conversion price (the “**Conversion Price**”) in effect on the relevant Conversion Date. The initial Conversion Price is £8.00 per Ordinary Share. The Conversion Price is subject to adjustment in the circumstances described in Condition 5(b).

Fractions of Ordinary Shares will not be issued on conversion or pursuant to Condition 5(c) and no cash payment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Ordinary Shares to be issued on conversion or pursuant to Condition 5(c) are to be registered in the same name, the number of such Ordinary Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds. Where the Trustee shall have exercised its rights pursuant to Condition 5(f) of the Bonds, all relevant Bonds for the purpose of the immediately preceding sentence shall be deemed to be held by one person.

The Issuer will procure that Ordinary Shares to be issued on conversion will be issued to the holder of the Bonds completing the relevant Conversion Notice or his nominee or, where they are to be issued to the Trustee pursuant to Condition 5(f) of the Bonds, the Trustee or its nominee on behalf of the relevant Bondholders. Such Ordinary Shares will be deemed to be issued as of the relevant Conversion Date. Any Additional Ordinary Shares (as defined in Condition 5(c)) will be deemed to be issued as of the relevant Reference Date (as defined in Condition 5(e)).

(b) Adjustment of Conversion Price

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

- (i) *Consolidation or subdivision*: If and whenever there shall be an alteration to the nominal value of the Ordinary Shares as a result of consolidation or subdivision or other alteration, the

Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

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

where:

A is the nominal amount of one Ordinary Share immediately after such alteration; and

B is the nominal amount of one Ordinary Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (ii) *Capitalisation of profits or reserves:* If and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to the holders of Ordinary Shares (the “Shareholders”) by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than any such Ordinary Shares issued instead of the whole or part of a cash dividend which the Shareholders concerned would or could otherwise have received, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

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

where:

A is the aggregate nominal amount of the issued Ordinary Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Ordinary Shares immediately after such issue.

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

- (iii) *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution (as defined below) to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such Capital Distribution by the following fraction:

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

where:

A is the Current Market Price (as defined below) of one Ordinary Share on the dealing day (as defined below) immediately preceding the date of the first public announcement of the relevant Dividend or, in the case of a purchase of Ordinary Shares, on which such Ordinary Shares are purchased; and

B is the portion of the Fair Market Value (as defined below) with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Ordinary Shares entitled to receive the relevant Dividend (or, in the case of a purchase of Ordinary Shares by or on behalf of the Issuer, by the number of Ordinary Shares issued and outstanding immediately prior to such purchase), of the Capital Distribution attributable to one Ordinary Share.

Such adjustment shall become effective on the date on which such Capital Distribution is made.

As used in this Condition 5(b):

“**Capital Distribution**” means (a) any Dividend which is expressed by the Issuer or declared by the Board of Directors of the Issuer to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to shareholders of the Issuer or any analogous or similar term, in which case the Capital Distribution shall be the Fair Market Value (as determined at the date of announcement of

the relevant Dividend) of such Dividend or (b) the portion determined as set out below of any Dividend made or paid in the Relevant Period if the Fair Market Value (as determined at the date of announcement of the relevant Dividend) of the proposed Dividend per Ordinary Share, together with the Fair Market Value (as determined at the date of announcement of the relevant Dividend) per Ordinary Share of any other Dividend or Dividends on the Ordinary Shares made or paid in the Relevant Period (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of that Relevant Period) exceeds the amount shown below in respect of such Relevant Period:

<u>Relevant Period</u>	<u>Amount</u>
Closing Date to 30 September 2004.....	30.00 pence
1 October 2004 to 30 September 2005.....	32.25 pence
1 October 2005 to 30 September 2006.....	34.67 pence
1 October 2006 to 30 September 2007.....	37.27 pence
1 October 2007 to 30 September 2008.....	40.06 pence
1 October 2008 to 30 September 2009.....	43.07 pence
1 October 2009 to 30 September 2010.....	46.30 pence

in which case the amount of such Capital Distribution shall be the amount of such excess.

In making any such calculation, such adjustments (if any) shall be made as a bank of international repute selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) may consider appropriate to reflect any consolidation or subdivision of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves or any change in the number of Ordinary Shares in issue in relation to the Relevant Period in question, or any like or similar event.

“**Dividend**” means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes without limitation an issue of shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves) provided that:

- (a) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Ordinary Shares be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, then, for the purposes of the above definition, the Dividend in question shall be treated as a Dividend of (i) such cash Dividend or (ii) of the Fair Market Value (on the date of announcement of such Dividend, or if later the date on which the number of Ordinary Shares (or amount of property or assets, as the case may be) which may be issued or delivered in satisfaction of such Dividend is determined) of such Ordinary Shares or other property or assets (or which would be issued if all holders of Ordinary Shares elected therefor, regardless of whether any such election is made) if such Fair Market Value is greater than the Fair Market Value of such cash Dividend;
- (b) any issue of Ordinary Shares falling within Condition 5(b)(ii) shall be disregarded; and
- (c) a purchase or redemption of share capital by the Issuer shall not constitute a Dividend unless in the case of purchases of Ordinary Shares by or on behalf of the Issuer, the weighted average price per Ordinary Share (before expenses) on any one day in respect of such purchases exceeds by more than 5 per cent. the closing price of the Ordinary Shares on the London Stock Exchange on the immediately preceding dealing day as derived from the Daily Official List of the London Stock Exchange at the opening of business either (1) on that day, or (2) where an announcement (excluding for the avoidance of doubt for these purposes, any general authority for such purchases or redemptions approved by a general meeting of Shareholders of the Issuer or any notice convening such a meeting of Shareholders) has been made of the intention to purchase Ordinary Shares at some future date at a specified price, on the dealing day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a dealing day, the immediately preceding dealing day, in which case such purchase shall be deemed to constitute a Dividend to the extent that the aggregate price paid (before expenses) in respect of such Ordinary

Shares purchased by or on behalf of the Issuer exceeds the product of (A) 105 per cent. of the closing price of the Ordinary Shares and (B) the number of Shares so purchased.

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined in good faith by a bank of international repute in London selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) provided, that (i) the Fair Market Value of a cash Dividend paid or to be paid shall be the amount of such cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by a bank of international repute in London selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed)) the Fair Market Value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded, or such shorter period as such options, warrants or other rights are publicly traded; (iv) where options, warrants or other rights are not publicly traded (as aforesaid), the Fair Market Value of such options, warrants or other rights will be as determined in good faith by a bank of international repute in London selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) on the basis of a commonly accepted market valuation method and taking into 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 options, warrants or other rights, including as to expiry date, and exercise price (if any) thereof; and (v) in the case of (i) converted into sterling (if declared or paid in a currency other than sterling) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid the cash Dividend in sterling; and in any other case, converted into sterling (if expressed in a currency other than sterling) at such rate of exchange as may be determined in good faith by a bank of international repute in London selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) to be the spot rate ruling at the close of business on that date (or if no such rate is available on that date the equivalent rate on the immediately preceding date on which such a rate is available); provided that for the purposes of determining Fair Market Value under Condition 5(b)(v), references in this definition to options, warrants or other rights shall be deemed to be to the entitlement to such options, warrants or other rights, as the case may be.

- (iv) *Rights issues of Ordinary Shares or options over Ordinary Shares:* If and whenever the Issuer shall issue Ordinary Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the dealing day immediately preceding the date of the first public announcement of the terms of the issue or grant of such Ordinary Shares, options, warrants or other rights, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue immediately before such announcement;
- B is the number of Ordinary Shares which the aggregate amount (if any) payable for the Ordinary Shares issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares comprised therein would purchase at such Current Market Price per Ordinary Share; and

C is the number of Ordinary Shares issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights.

Such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the London Stock Exchange.

- (v) *Rights issues of other securities:* If and whenever the Issuer shall issue any securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase any Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase Ordinary Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

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

where:

A is the Current Market Price of one Ordinary Share on the dealing day immediately preceding the first date on which the terms of such issue or grant are publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the London Stock Exchange.

- (vi) *Issues of Ordinary Shares etc. at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 5(b)(iv) above) wholly for cash any Ordinary Shares (other than Ordinary Shares issued on the exercise of Conversion Rights or on the exercise of any rights of conversion into, or exchange or subscription for, Ordinary Shares), or issue or grant (otherwise than as mentioned in Condition 5(b)(iv) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Ordinary Shares (other than the Bonds, which term shall exclude for this purpose any further bonds issued pursuant to Condition 15 of the Bonds and consolidated and forming a single series with the Bonds), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the dealing day immediately preceding the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

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

where:

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

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such additional Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and

C is the maximum number of Ordinary Shares to be issued pursuant to such issue of such additional Ordinary Shares or, as the case may be, upon exercise of such options, warrants or rights.

Such adjustment shall become effective on the date of issue of such additional Ordinary Shares or, as the case may be, the grant of such options, warrants or rights.

- (vii) *Other issues at less than Current Market Price:* If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in Conditions 5(b)(iv), (v) or (vi) above) shall issue wholly for cash or for no consideration any securities (other than the Bonds, which term shall for this purpose exclude any further bonds issued pursuant to Condition 15 of the Bonds and consolidated and forming a single series with the Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Ordinary Shares issued or to be issued by the Issuer (or shall grant any such rights in respect of existing securities so issued) or securities which by their terms might be redesignated as Ordinary Shares, and the consideration per Ordinary Share receivable upon conversion, exchange, subscription or redesignation is less than 95 per cent. of the Current Market Price per Ordinary Share on the dealing day last preceding the date of the first public announcement of the terms of issue of such securities (or the terms of such grant), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue (or grant) by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue immediately before such issue or grant (but where the relevant securities carry rights of conversion into or rights of exchange or subscription for Ordinary Shares which have been issued by the Issuer for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Ordinary Share; and
- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Ordinary Shares to be issued or to arise from any such redesignation.

provided that if at the time of issue of the relevant securities or date of grant of such rights (the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such securities are redesignated or at such other time as may be provided) then for the purposes of this Condition 5(b)(vii), “**C**” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such securities or, as the case may be, the grant of such rights.

- (viii) *Modification of rights of conversion:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities (other than the Bonds and any further bonds issued pursuant to Condition 15 of the Bonds and forming a single series therewith) as are mentioned in Condition 5(b)(vii) above (other than in accordance with the terms (including terms as to adjustment) applicable to such securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the dealing day last preceding the date of the first public announcement of

the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue immediately before such modification (but where the relevant securities carry rights of conversion into or rights of exchange or subscription for Ordinary Shares which have been issued by the Issuer for the purposes of or, in connection with such issue, less the number of such Ordinary Shares so issued);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as a bank of international repute in London, selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) shall, acting as an expert, consider appropriate for any previous adjustment under this Condition 5(b) (viii) or Condition 5(b) (vii) above,

provided that if at the time of such modification (the “**Specified Date**”) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Condition 5(b) (viii), “**C**” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (ix) *Other offers to Shareholders:* If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 5(b) (iv) above (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant dealing day) or under sub-Condition 5(b) (v) above) the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the making of such offer by the following fraction:

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

where:

- A is the Current Market Price of one Ordinary Share on the dealing day immediately preceding the date on which the terms of such offer are publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights on the London Stock Exchange.

- (x) *Other events:* If the Issuer (after consultation with the Trustee) determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to above in this Condition 5(b) (even if the relevant event or circumstance is specifically excluded from the operation of Conditions 5(b)(i) to (ix) above), the Issuer shall, at its own expense and acting reasonably, request a bank of international repute in London, selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed), acting as expert, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 5(b) (x) if such bank is so requested to make such a determination not more than 21 days after the date on which the relevant event or circumstance arises.

Notwithstanding the foregoing provisions, where the circumstances giving rise to any adjustment pursuant to this Condition 5(b) have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of any other circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by a bank of international repute selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) to be in its opinion appropriate to give the intended result and provided further that, for the avoidance of doubt, the issue of Ordinary Shares pursuant to the exercise of Conversion Rights shall not result in an adjustment to the Conversion Price.

For the purpose of any calculation of the consideration receivable pursuant to Condition 5(b) (vi), (vii) and (viii), the following provisions shall apply:

- (a) the aggregate consideration receivable for Ordinary Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any securities shall be deemed to be the consideration received or receivable for any such securities and (y) the aggregate consideration receivable for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration received or receivable for such securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration is so attributed or the Trustee so requires by notice in writing to the Issuer, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the date of the first public announcement of the terms of issue of such securities or, as the case may be, such options, warrants or rights, plus in the case of each of (x) and (y) above, the additional minimum consideration (if any) upon the conversion or exchange of such securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights (the consideration in all such cases to be determined subject to the provisions in (a) above) and (z) the consideration per Ordinary Share receivable upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration referred to in (x) or (y) above (as the case may be);
- (c) if the consideration determined pursuant to (a) or (b) above (or any component thereof) shall be or is expressed in a currency other than pounds sterling, it shall be converted into pounds sterling at such rate of exchange as may be determined in good faith by a bank of international repute selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) to be the spot rate ruling at the close of business on the date of the first public announcement of the terms of issue of such securities,

divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate; and

- (d) in determining consideration pursuant to the above no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting or placing or management of the issue or relevant Ordinary Share, or otherwise in connection therewith.

As used above:

“Current Market Price” means, in respect of an Ordinary Share at a particular date, the mean of the closing prices published in the London Stock Exchange’s Daily Official List for one Ordinary Share for the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said five day period the Ordinary Shares shall have been quoted ex-Dividend (or ex-any other entitlement) and during some other part of that period the Ordinary Shares shall have been quoted cum-Dividend (or cum-any other entitlement) then:

- (a) if the Ordinary Shares to be issued do not rank for the Dividend (or entitlement) in question, the quotations on the dates on which the Ordinary Shares shall have been quoted cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of announcement of such Dividend or entitlement (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United Kingdom); or
- (b) if the Ordinary Shares to be issued do rank for the Dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted ex-Dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount, and provided further that if the Ordinary Shares on each of the said five dealing days have been quoted cum-Dividend (or cum-any other entitlement) in respect of a Dividend which has been declared or announced but the Ordinary Shares to be issued do not rank for that Dividend (or other entitlement) the quotations on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of announcement of such Dividend or entitlement (excluding any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United Kingdom),

provided that if such closing prices are not available on one or more of the said five dealing days, then the average of such closing prices which are available in that five dealing day period shall be used (subject to a minimum of two such closing prices) and if only one or no such closing price is available in the relevant period the Current Market Price shall be determined in good faith by a bank of international repute selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed).

“dealing day” means a day on which the London Stock Exchange is open for business other than a day on which the London Stock Exchange is scheduled to or does close prior to its regular weekday closing time.

“securities” includes, without limitation, shares in the share capital of the Issuer and options, warrants or other rights to subscribe for or to purchase or acquire shares in the capital of the Issuer.

References to any issue or offer to Shareholders **“as a class”** or **“by way of rights”** shall be taken to be references to an issue or offer 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 the stock exchange in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer.

On any adjustment, the resultant Conversion Price, if not an integral multiple of one penny, shall be rounded down to the nearest whole penny. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment but such subsequent adjustment shall be made on the basis

that the adjustment nor required to be made has been made at the relevant time. Notice of any adjustments shall be given to Bondholders in accordance with Condition 16 of the Bonds as soon as reasonably practicable after the determination thereof.

No adjustment will be made to the Conversion Price where Ordinary Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, 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) of the Issuer or any of its Subsidiaries or any associated company of the Issuer or to trustees to be held for the benefit of any such person, in any such case pursuant to any employees' share scheme (as defined in Section 743 of the Companies Act 1985 or any modification or re-enactment thereof).

(c) Retroactive Adjustments

If the Conversion Date in relation to any Bond shall be after the record date for any such issue, distribution, grant of offer (as the case may be) as is mentioned in Condition 5(b)(ii) to (v) and (ix), or any such issue as is mentioned in Condition 5(b)(vi) and (vii) which is made to the Shareholders or any of them, but before the relevant adjustment becomes effective under Condition 5(b) (such adjustment, a "**Retroactive Adjustment**"), the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued to the converting Bondholder, in accordance with the instructions contained in the Conversion Notice (subject to any applicable exchange control or other laws or other regulations), such additional number of Ordinary Shares (if any) (the "**Additional Ordinary Shares**") as, together with the Ordinary Shares issued or to be issued on conversion of the relevant Bond and any fraction of an Ordinary Share not so issued, is equal to the number of Ordinary Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment (more particularly referred to in the said provisions of Condition 5(b)) to the Conversion Price had in fact been made and become effective immediately after the relevant record date. Such additional Ordinary Shares will be allotted within one month after the relevant Conversion Date or, if later, within one month after the date of issue of Ordinary Shares or other securities if the adjustment results from the issue of Ordinary Shares.

The Conversion Price may not be reduced so that, on conversion of the Bonds, Ordinary Shares would be issued at a discount to their nominal or par value.

If any doubt shall arise as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and a bank of international repute selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed), a written opinion of such bank in respect of such adjustment to the Conversion Price shall be conclusive and binding on all concerned, save in the case of manifest or proven error.

(d) Bond Repurchase Election

The Issuer may make an election from time to time (a "**Bond Repurchase Election**") by giving prior notice (a "**Bond Repurchase Election Notice**") to the Trustee and the Bondholders that it will purchase, or procure the purchase of, any Bonds which are the subject of a Conversion Notice and in respect of which the Conversion Date falls on or after the Bond Repurchase Date specified in such Bond Repurchase Election Notice and prior to the Revocation Date specified in any subsequent notice of revocation (a "**Notice of Revocation**") of such Bond Repurchase Election (as provided below). In connection therewith, the Issuer will purchase or procure the purchase of the Bonds which are the subject of each such Conversion Notice by making payment, or procuring that payment be made on its behalf, to the relevant Bondholder or, as the case may be, the Trustee of the Bond Repurchase Price, together with any other amount payable by the Issuer to such Bondholder in respect of or relating to the relevant exercise of Conversion Rights.

The Issuer shall pay the Bond Repurchase Price, or procure that the Bond Repurchase Price is paid, by not later than the fifth dealing day following the end of the Bond Repurchase Calculation Period or, if that is not a business day in London, the next following such day by a pounds sterling cheque drawn on, or by transfer to a pounds sterling account maintained by the payee with, a bank in London in accordance with instructions contained in the relevant Conversion Notice (as defined in Condition 5(e)).

The Issuer may at any time and from time to time revoke a Bond Repurchase Election by giving a Notice of Revocation to the Trustee and the Bondholders specifying the Revocation Date. The

Issuer may exercise its rights as provided above, both to make and to revoke a Bond Repurchase Election, as often as it thinks fit.

“**Bond Repurchase Calculation Period**” means the period of thirty consecutive dealing days commencing on the relevant Conversion Date (or the next dealing day if such date is not a dealing day).

“**Bond Repurchase Date**” means the date specified as such in a Bond Repurchase Election Notice and which shall be not earlier than ten nor later than fifteen days after the date such notice is given.

“**Bond Repurchase Price**” means an amount calculated in accordance with the following formula and which shall be payable to a Bondholder upon an exercise of a Conversion Right, if a Bond Repurchase Election has been made and not revoked and is applicable to such exercise:

$$BRP = \sum_{n=1}^N \frac{1}{30} \times S \times P_n$$

where:

BRP = the Bond Repurchase Price;

S = the number of Ordinary Shares (including, for this purpose, any fraction of an Ordinary Share) to which the relevant Bondholder would have been entitled upon exercise of the Conversion Right had a Bond Repurchase Election not been in effect on the relevant Conversion Date;

P_n = the Volume Weighted Average Price of an Ordinary Share on the nth dealing day of the Bond Repurchase Calculation Period; and

N = the number of dealing days in the Bond Repurchase Calculation Period.

“**Revocation Date**” means the date specified as such in a Notice of Revocation and which shall be not earlier than ten nor later than fifteen days after the date such notice is given.

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share on any dealing day, the volume weighted average price of an Ordinary Share appearing as a normal quote on Bloomberg’s AQR (average quote recap) (or such other source as shall be determined to be appropriate by a bank of international repute in London selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed)) on such dealing day, provided that:

- (i) on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined; and
- (ii) if any Dividend or other entitlement in respect of the Ordinary Shares is announced on or prior to the relevant Conversion Date in circumstances where the Record Date or other due date for the establishment of entitlement in respect of such Dividend or other entitlement shall be on or after the relevant Conversion Date and if on such dealing day the price determined as provided above is based on a price ex-Dividend or ex-any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of announcement of such entitlement or Dividend (excluding, in the case of a Dividend in cash, any associated tax credit and less the tax (if any) falling to be deducted on payment thereof to a resident of the United Kingdom).

(e) Procedure for Conversion

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

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

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the “**Conversion Date**”) shall be the London business day immediately following the date of such delivery and, if applicable, any payment to be made or indemnity given as provided under these Conditions in connection with the exercise of such Conversion Right or, in the case of a conversion on redemption pursuant to Condition 5(f), the date fixed for redemption pursuant to that Condition save that for the purposes of calculating the amount of interest payable in the case of conversion on redemption pursuant to Condition 5(f), the Conversion Date shall be the date which would have been the Conversion Date had Conversion Rights been exercised by holders of the relevant Unexercised Bonds (as defined in Condition 5(f)) on the last day of the relevant period for exercise of Conversion Rights by such holders pursuant to Condition 5(a). In these Conditions, “**London business day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in London.

Each Bond should be delivered upon exercise of Conversion Rights together with all Coupons relating to it which mature on or after the relevant Conversion Date, failing which the relevant holder will be required to pay the full amount of any such missing Coupon. Each amount so paid will be repaid in the manner specified in Condition 7 against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant missing Coupon at any time after the relevant Conversion Date and before the expiry of ten years after the Relevant Date (as defined in Condition 10) in respect of the relevant Bond (whether or not such a Coupon would otherwise have become void pursuant to Condition 10), but not thereafter.

A Bondholder or the Trustee exercising a Conversion Right must pay (in the case of the Trustee by means of deduction from the net proceeds of sale referred to in Condition 5(f)) any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital duties or stamp duties payable in the United Kingdom by the Issuer in respect of the allotment and issue of Ordinary Shares on conversion, which shall be paid by the Issuer) and such Bondholder or the Trustee (as the case may be) must pay (in the case of the Trustee by means of deduction from the net proceeds of sale referred to as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with such conversion.

The Ordinary Shares will not be available for issue (i) to, or to a nominee or agent for, Euroclear Bank S.A./N.V. as operator of the Euroclear System or Clearstream Banking, société anonyme or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (ii) to a person, or nominee or agent for a person, whose business is or includes issuing depositary receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the “**abolition day**” as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom.

Ordinary Shares to be issued on conversion of the Bonds (including any Additional Ordinary Shares) will be issued in uncertificated form through the dematerialised securities trading system generated by CRESTCo Limited, known as CREST, unless the relevant Bondholder elects to receive the Ordinary Shares in certificated registered form or, at the time of issue, the Ordinary Shares are not a participating security in CREST. Where Ordinary Shares are to be issued through CREST, they will be delivered to the account specified by the relevant Bondholder in the relevant Conversion Notice by a date which is generally expected to be not later than seven London business days following the relevant Conversion Date (or, in the case of any Additional Ordinary Shares, not later than seven London business days following the date (the “**Reference Date**”) on which the relevant Retroactive Adjustment takes effect). Where Ordinary Shares are to be issued in certificated form, a certificate in respect thereof will be dispatched by mail free of charge (but uninsured and at the risk of the person entitled thereto) to the relevant Bondholder or as it may direct in the relevant Conversion Notice, within 28 days following the relevant Conversion Date or, as the case may be, the Reference Date.

(f) Trustee's Conversion on Redemption

The Trust Deed provides that the Trustee may at its absolute discretion (and without any responsibility for any loss occasioned thereby), within the period commencing on the date five days immediately prior to, and ending at the close of business on the London business day immediately prior to, the date fixed for redemption from time to time of any of the Bonds, elect by notice in writing to the Issuer to convert the aggregate principal amount of Bonds due for redemption on such date and in respect of which Conversion Rights have not been exercised and which have not been duly presented for redemption by the holder thereof before the date of such election (“**Unexercised Bonds**”) into Ordinary Shares at the Conversion Price on the Conversion Date if all necessary consents (if any) have been obtained and the Trustee is satisfied or is advised by a bank of international repute in London appointed by the Trustee that the net proceeds of an immediate sale of the Ordinary Shares arising from such conversion (disregarding any liability (other than a liability of the Trustee) to taxation or the payment of any capital, stamp duty, issue or registration duties consequent thereon and disregarding whether a Bond Repurchase Election will or may be in effect) would be likely to exceed by 5 per cent. or more the aggregate amount of redemption moneys and interest which would otherwise be payable in respect of such Unexercised Bonds.

Save as provided in Condition 5(h), no interest shall accrue from the Interest Payment Date immediately preceding the Conversion Date (or, if such date falls before the first Interest Payment Date, since the Closing Date) in respect of such Unexercised Bonds in respect of which the Trustee's election as aforesaid shall have been made.

All of the Ordinary Shares issued on such conversion shall be sold by, or on behalf of, the Trustee as soon as practicable, and (subject to any necessary consents being obtained and to the deduction by the Trustee of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration duties (if any) and any costs incurred by the Trustee in connection with the allotment and sale thereof) the net proceeds of sale together with accrued interest (if any) in respect of such Unexercised Bonds shall be held by the Trustee and distributed rateably to the holders of such Unexercised Bonds in accordance with Condition 7.

If a Bond Repurchase Election is in effect on the relevant Conversion Date pursuant to and in accordance with Condition 5(d), upon any exercise by the Trustee of its right contained in this Condition 5(f) the aggregate Bond Repurchase Price in respect of the Unexercised Bonds (together with any other amounts payable by the Issuer to the Trustee under these Conditions and the terms of the Trust Deed) shall be held by the Trustee and distributed rateably to the holders of the Unexercised Bonds in accordance with the Trust Deed.

If the date fixed for redemption in respect of such Unexercised Bonds falls during a period commencing on an Interest Payment Date and ending on the date falling seven days after such Interest Payment Date (both dates inclusive) a sum equal to the interest payable on that Interest Payment Date in respect of such Unexercised Bonds and which has been paid to the holders thereof will be deducted from the net proceeds of sale payable to the relevant holder and shall be paid to the Issuer. The amount of such net proceeds of sale payable to a holder of Unexercised Bonds pursuant to this Condition 5(f) shall be treated for all purposes as the full amount due from the Issuer in respect of the Unexercised Bonds.

The Trustee shall have no liability in respect of the exercise or non exercise of its discretion pursuant to this Condition 5(f) or the timing of such exercise or in respect of any such sale of Ordinary Shares, whether for the timing of any such sale or the price at which any such Ordinary Shares are sold or the inability to sell any such Ordinary Shares.

(g) Ordinary Shares

(i) The Ordinary Shares issued upon conversion of the Bonds will be fully paid and non-assessable and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date, or, in the case of Additional Ordinary Shares, on the relevant Reference Date (except in any such case for any right excluded by mandatory provisions of applicable law) except that the Ordinary Shares or, as the case may be, the Additional Ordinary Shares so issued will not rank for any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

- (ii) Save as provided in Condition 5(h), no payment or adjustment shall be made on conversion for any interest which otherwise would have accrued on the relevant Bonds since the Interest Payment Date last preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).
- (iii) For the purposes of this Condition 5: (i) references to the “issue” of Ordinary Shares shall include the transfer and/or delivery of Ordinary Shares by the Issuer or any of its Subsidiaries (as defined in Condition 3), whether newly issued and allotted or previously existing; and (ii) Ordinary Shares held by the Issuer or any of its Subsidiaries shall not be treated or considered as in “issue”.

(h) Interest on Conversion

If any notice requiring the redemption of any Bonds is given pursuant to Condition 6(b) on or after the fifteenth business day prior to a record date which has occurred since the last Interest Payment Date (or if none, the Closing Date) (whether such notice is given before, on or after such record date) in respect of any dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall accrue on Bonds in respect of which Conversion Rights shall have been exercised or in respect of which the Trustee shall have exercised its rights pursuant to Condition 5(f) and in any such case in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in respect of such dividend or distribution, in each case from (and including) the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Closing Date) to (but excluding) such Conversion Date. The Issuer shall pay any such interest or procure that any such interest is paid by not later than 14 days after the relevant Conversion Date by pounds sterling cheque drawn on, or by transfer to a sterling account maintained with, a bank in London in accordance with instructions given by the relevant Bondholder.

(i) Additional Cash Amount

If there is a Retroactive Adjustment to the Conversion Price following the exercise of Conversion Rights by a Bondholder, and the Bond Repurchase Election was in effect on the relevant Conversion Date, the Issuer shall pay to the relevant Bondholder by way of an increase in the Bond Repurchase Price of the relevant Bonds an additional amount (the “**Additional Cash Amount**”) equal to the Market Price (as defined below) of the Additional Ordinary Shares on the Reference Date.

The Issuer shall pay the Additional Cash Amount not later than seven days following the Reference Date by sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in London in accordance with instructions given by the relevant Bondholder.

“**Additional Ordinary Shares**” means the number of Additional Ordinary Shares (including, for this purpose, any fraction of an Ordinary Share) which would have been issued to the relevant Bondholder or, as the case may be, the Trustee as a result of a Retroactive Adjustment to the Conversion Price (where a Bond Repurchase Election was in effect on the relevant Conversion Date).

“**Market Price**” means on any day, the Volume Weighted Average Price of an Ordinary Share on such day (or, if that is not a dealing day, on the next following dealing day).

(j) Purchase or Redemption by the Issuer of its Own Shares

The Issuer may exercise such rights as it may from time to time enjoy to purchase or redeem its own shares (including Ordinary Shares) without the consent of Bondholders or Couponholders.

(k) Issuer to Notify Bondholders of Adjustments to Conversion Price

Notice of any adjustments to the Conversion Price shall be given to Bondholders in accordance with Condition 16 as soon as practicable after determination thereof.

6 Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their principal amount on 30 September 2010 (the “**Final Maturity Date**”). The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 6(b).

(b) Redemption at the Option of the Issuer

On giving not less than 30 nor more than 90 days’ notice (an “**Optional Redemption Notice**”) to the Trustee and the Bondholders in accordance with Condition 16, the Issuer may redeem all but not some only of the Bonds for the time being outstanding at their principal amount together with interest accrued up to (but excluding) the date fixed for redemption, (i) at any time after 14 October 2008 (or, if such day is not a London business day, the next following such day) provided that the closing price of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for 20 dealing days within the 30 dealing day period ending on the fourteenth day prior to the date on which the relevant Optional Redemption Notice is given to Bondholders as provided above shall have been at least 120 per cent. of the average of the Conversion Prices (as adjusted) in effect (or deemed to be in effect) on each such dealing day, or (ii) at any time if prior to the date on which the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued.

For the purposes of the above, if on any dealing day in such 30 dealing day period as mentioned above the Ordinary Shares shall have been quoted cum-dividend then the closing price on each dealing day on which the Ordinary Shares shall have been quoted “cum-dividend” shall be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Ordinary Share (excluding any associated tax credit and less the tax (if any) failing to be deducted on payment thereof to a resident of the United Kingdom).

For the purposes of this Condition 6(b), the principal amount of the Bonds originally issued shall be the aggregate of the principal amount of the Bonds and the principal amount of any further bonds issued pursuant to Condition 15 and consolidated and forming a single series with the Bonds, but shall not take account of any Conversion Rights exercised or purchases and corresponding cancellations.

Any Optional Redemption Notice shall be irrevocable. Any such notice shall specify (x) the Optional Redemption Date, (y) the Conversion Price, the aggregate principal amount of the Bonds outstanding and the closing price of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice, and (z) the last day on which Conversion Rights may be exercised by Bondholders.

This Condition 6(b) shall not apply to any Bonds in respect of which Put Notices (as defined in Condition 6(c)) shall have been delivered pursuant to Condition 6(c) before the date on which the Optional Redemption Notice is delivered as described above.

(c) Redemption at the option of Bondholders

The Issuer will, at the option of the holder of any Bond, redeem such Bond:

- (i) on 30 September 2007 at its principal amount, together with interest accrued to the date fixed for redemption; or
- (ii) following the occurrence of a Relevant Event (and provided that the Issuer shall not have given an Optional Redemption Notice as described in Condition 6(b) prior to the occurrence of the Relevant Event), on the Relevant Event Put Date at its Early Redemption Amount (determined as set out below), together with interest accrued to the date fixed for redemption.

The Early Redemption Amount in respect of any Bond redeemed in accordance with (ii) above shall be the amount shown in the table below which corresponds to the period during which the Relevant Event occurs:

<u>Date of occurrence of Relevant Event</u>	<u>Early Redemption Amount (%)</u>
Closing Date to 30 September 2004	105
1 October 2004 to 30 September 2005	104
1 October 2005 to 30 September 2006	103
1 October 2006 to 30 September 2007	102
1 October 2007 to 30 September 2008	101
Thereafter	100

To exercise such option the holder must deposit such Bond, together with all Coupons relating to it which mature after the date fixed for redemption, with any Paying and Conversion Agent together with a duly completed put notice (a “**Put Notice**”) in the form obtainable from any of the Paying and Conversion Agents, not more than 45 nor less than 30 days prior to such date (in the case of (i) above) and not more than 45 days after receipt of notice from the Issuer of the occurrence of a Relevant Event (in the case of (ii) above). No Bond so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

As used in this Condition 6(c):

“**Newco Scheme**” means a scheme of arrangement which effects the interposition of a limited liability company (“**Newco**”) between the Shareholders of the Issuer immediately prior to the scheme of arrangement (the “**Existing Shareholders**”) and the Issuer; provided that immediately after completion of the scheme of arrangement the Existing Shareholders are the only Shareholders of Newco and that all Subsidiaries of the Issuer immediately prior to the scheme of arrangement are Subsidiaries of the Issuer (or of Newco) immediately after the scheme of arrangement and immediately after the completion of the scheme of arrangement Newco is substituted under the Bonds and the Trust Deed in place of the Issuer in accordance with the Trust Deed and such other adjustments are made to these Conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be converted into shares in Newco *mutatis mutandis* in accordance with and subject to these Conditions.

“**Relevant Event**” shall mean an offer being made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate of the offeror (as defined in Section 430E(4) of the Companies Act 1985)), to acquire all or the majority of the issued ordinary share capital of the Issuer or if any person proposes a scheme with regard to such acquisition (other than a Newco Scheme) and (such offer or scheme having become or been declared unconditional in all respects) the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in the offeror and/or such associate as aforesaid.

“**Relevant Event Put Date**” shall be the fourteenth day after the expiry of the period of 45 days referred to above.

(d) Purchase

Subject to the requirements of Condition 6(e) and the requirements (if any) of the UK Listing Authority or the London Stock Exchange or any other stock exchange on which the Bonds may be listed at the relevant time, the Issuer or any Subsidiary of the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Such Bonds may be held, resold or reissued, or, at the option of the Issuer, surrendered to any Paying and Conversion Agent for cancellation.

(e) Cancellation

All Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled forthwith together with all unmatured Coupons (if any) attached thereto and may not be re-issued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be surrendered for cancellation or may be held, re-issued or resold, save that Bonds purchased pursuant to Condition 5(d) shall be cancelled.

7 Payments

(a) Method of Payment

Payments of principal and premium (if any) on the Bonds or the net proceeds of sale of Ordinary Shares pursuant to Condition 5(f) will be made against presentation and surrender (or, in the case of partial payment, endorsement) of Bonds and payment of any interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of partial payment, endorsement) of Coupons in each case at the specified office of any of the Paying and Conversion Agents (subject to Condition 7(b) below) by pounds sterling cheque drawn on a bank in London or, at the option of the relevant holder, by transfer to a pounds sterling account maintained by the payee with, a bank in London. Payments of interest due in respect of Bonds other than on an Interest Payment Date shall be made only against presentation and either surrender or endorsement of the relevant Bond.

Payments of all other amounts will be made as provided in these Conditions.

(b) Payments subject to fiscal laws

All payments will be subject in all cases to any applicable fiscal and other laws and regulations. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(c) Surrender of unmatured Coupons

Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the sum of the amount so paid in respect of the relevant Bonds bears to the total amount due in respect of the relevant Bonds) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 10) in respect of the relevant Bond.

For the purposes hereof and save as otherwise provided herein, unmatured Coupons means Coupons maturing after the due date for redemption of the Bonds to which they appertain.

(d) Non-business days

If the due date for payment of principal, premium (if any) or interest in respect of any Bond or Coupon (or any later date on which a Bond or Coupon is presented for payment) is not at any place of presentation a business day and, in the case of payment by transfer to a pounds sterling account as referred to above, a business day in London then the holder will not be entitled to payment at such place of the amount due until the next day which is a business day at such place and, in the case of payment by transfer to a pounds sterling account, a business day in London, and the holder will not be entitled to any further interest or other payment in respect of any such delay. For the above purposes, “**business day**” means any day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation or payment, and (in the case of payment by transfer to a sterling account as mentioned above) on which dealings in pounds sterling may be carried on both in London and in such place. When making payments to Bondholders or Couponholders, fractions of one penny will be rounded down to the nearest penny

(e) Paying and Conversion Agents, etc.

The initial Paying and Conversion Agents and their initial specified offices are listed below. The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Trustee (which approval shall not be unreasonably withheld), to vary or terminate the appointment of any Paying and Conversion Agent and appoint additional or other Paying and Conversion Agents, provided that it will maintain (i) a Principal Paying and Conversion Agent, (ii) so long as the Bonds are admitted to the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange and the rules of the UK Listing Authority or the London

Stock Exchange so require, a Paying and Conversion Agent having a specified office in London and (iii) if the conclusions of the ECOFIN Council Meeting of 26th-27th November, 2000 are implemented and to the extent not already provided for by the requirements of Condition 7(e) (ii), a Paying and Conversion Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of that meeting or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in the Paying and Conversion Agents or their specified offices will promptly be given to the Bondholders in accordance with Condition 16.

8 Taxation

All payments by or on behalf of the Issuer in respect of the Bonds and the Coupons shall be made without withholding or deduction for taxation unless the withholding or deduction is required by law, in which case the relevant payment will be made subject to such withholding or deduction. **The Issuer will not be required to pay any additional or further amounts in respect of such withholding or deduction.**

9 Undertakings of the Issuer

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

- (a) issue, allot and deliver Ordinary Shares on exercise of Conversion Rights in accordance with these Conditions and at all times keep available for issue free from pre-emptive or other similar rights out of its authorised but unissued share capital such number of Ordinary Shares as would enable the Conversion Rights and all other rights of subscription and exchange for and conversion into Ordinary Shares to be satisfied in full;
- (b) not issue or pay up any securities, in either case by way of capitalisation of profits or reserves, other than:
 - (i) by the issue of fully paid Ordinary Shares or other securities to the Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Ordinary Shares or other securities or a capitalisation of profits or reserves; or
 - (ii) by the issue of Ordinary Shares paid up in full out of profits or reserves (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend; or
 - (iii) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares) on a capitalisation of profits or reserves,

unless, in any such case, the same gives rise (or would, but for the fact that the adjustment would be less than one per cent. of the Conversion Price then in effect, give rise) to an adjustment to the Conversion Price;

- (c) not in any way modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than such rights but so that nothing in this Condition 9(c) shall prevent:
 - (i) the issue of any equity share capital to or for the benefit of, employees or former employees (including directors holding or formerly holding executive office) whether of the Issuer or any of the Issuer's Subsidiaries or associated companies by virtue of their office or employment pursuant to any scheme or plan approved by the Issuer in general meeting or which is established pursuant to such a scheme or plan which is or has been so approved; or
 - (ii) any consolidation or subdivision of the Ordinary Shares or the conversion of any Ordinary Shares into stock or vice versa; or
 - (iii) any modification of such rights which is not, in the opinion of a bank of international repute selected by the Issuer and approved in writing by the Trustee (such approval not to be

unreasonably withheld or delayed) and acting as an expert, materially prejudicial to the interests of the holders of the Bonds; or

- (iv) any alteration to the Articles of Association of the Issuer made in connection with the matters described in this Condition 9 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of securities, including Ordinary Shares, dealt with under such procedures); or
 - (v) any issue of equity share capital where the issue of such equity share capital results or would, but for the fact that the adjustment would be less than one per cent of the Conversion Price then in effect, or that the consideration per Ordinary Share receivable therefore is at least 95 per cent of the Current Market Price per Ordinary Share, otherwise result in an adjustment of the Conversion Price; or
 - (vi) any issue of equity share capital or modification of rights attaching to the Ordinary Shares where prior thereto the Issuer shall have instructed a bank of international repute in London, selected by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed), to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such bank shall have determined either that no adjustment is required or that an adjustment to the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);
- (d) procure that no securities (whether issued by the Issuer or any of its Subsidiaries or procured by the Issuer or any of its Subsidiaries to be issued or issued by any person pursuant to any arrangement with the Issuer or any of its Subsidiaries) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the fact that the adjustment would be less than one per cent. of the Conversion Price then in effect, give rise) to an adjustment to the Conversion Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- (e) not make any issue, grant or distribution or take any other action if the effect thereof would be that, on the conversion of Bonds, Ordinary Shares would (but for the provisions of Condition 5) have to be issued at a discount or otherwise could not, under any applicable law then in effect, be legally issued as fully paid;
- (f) not reduce its issued share capital, share premium account or capital redemption reserve or any uncalled liability in respect thereof except (i) pursuant to the terms of issue of the relevant share capital or (ii) by means of a purchase or redemption of share capital of the Issuer or (iii) as permitted by Section 130(2) of the Companies Act 1985 or (iv) where the reduction does not involve any distribution of assets or (v) where the reduction results in (or would, but for the provisions of Condition 5 relating to the carry forward of adjustments, result in) an adjustment to the Conversion Price or (vi) solely in relation to a change in the normal currency in which the nominal value of the Ordinary Shares is expressed or (vii) pursuant to a Newco Scheme;
- (g) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associates of the offeror (as defined in Section 430E(4) of the Companies Act 1985 or any modification or re-enactment thereof)) to acquire all or a majority of the issued ordinary share capital of the Issuer, or if a scheme (other than a Newco Scheme) is proposed with regard to such acquisition, give notice of such offer or scheme to the Trustee and the Bondholders at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying and Conversion Agents and, where such an offer or scheme has been recommended by the Board of Directors of the Issuer, or where such an offer has become or been declared unconditional in all respects, use its reasonable

endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights and/or to the holders of the Bonds;

- (h) use its reasonable endeavours to ensure that the Ordinary Shares issued upon conversion of the Bonds will be admitted to the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange in accordance with their respective rules and will be listed, quoted or dealt in on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in; and
- (i) give notice to the Trustee and to Bondholders in accordance with Condition 16 of the occurrence of a Relevant Event as soon as practicable after it becomes aware thereof and in any event within 14 days of becoming aware thereof. Such notice shall specify (i) all information relevant to Bondholders concerning the Relevant Event, (ii) the Conversion Price, (iii) the aggregate principal amount of the Bonds outstanding, (iv) the closing price of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange (in the case of (ii), (iii) and (iv) as at the latest practicable date prior to the date of the notice), (v) the scheduled Relevant Event Put Date and (vi) such other information as the Trustee may require.

As used in these Conditions, “**ordinary share capital**” has the meaning given to it in Section 832 of the income and Corporation Taxes Act 1988 and “**equity share capital**” has the meaning given to it in Section 744 of the Companies Act 1985.

10 Prescription

Claims in respect of principal, premium (if any) or any other amount (not including interest) payable upon presentation of the Bonds will become void unless presentation for payment is made as required by Condition 7 within a period of ten years from the appropriate Relevant Date.

Claims in respect of interest payable on an Interest Payment Date payable upon presentation of the relevant Coupon will become void unless presentation for payment is made as required by Condition 7 within a period of five years from the appropriate Relevant Date.

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

As used in these Conditions, “**Relevant Date**” means, in respect of any Bond or Coupon, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the bondholders in accordance with Condition 16 provided that, upon further presentation of the Bond or Coupon being made, such payment will be made provided that payment is in fact made upon such presentation.

11 Events of Default

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

- (i) the Issuer fails to pay the principal (including any Bond Repurchase Price), premium (if any) or interest on any of the Bonds when due and such failure continues for a period of seven days in the case of principal (including as aforesaid) or premium (if any) and 14 days in the case of interest; or
- (ii) the Issuer fails to perform or observe any of its other obligations (or any provision of the Trust Deed which would, but for the provisions of applicable law, be an obligation) under the Bonds or the Trust Deed and in any such case (except where the same is incapable of remedy when no such continuation or notice as is hereinafter referred to will be required) the same continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (iii) (a) any other present or future indebtedness (other than Project Finance Indebtedness) of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes

payable prior to its stated maturity otherwise than at the option of the Issuer or, as the case may be, of the relevant Principal Subsidiary or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than Project Finance Indebtedness), provided that the amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds the Threshold Amount; or

- (iv) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries following upon a decree or judgment of a court of competent jurisdiction and is not discharged or stayed within 28 days; or
- (v) the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts within the meaning of Section 123(1)(b)–(e) and (2) of the Insolvency Act 1986, or stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, or proposes or makes a general assignment or an arrangement or composition or other similar arrangement with or for the benefit of the relevant creditors in respect of any of such debts, or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries; or
- (vi) an order is made or an effective resolution is passed for the winding up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the directors of the Issuer or any Principal Subsidiary request any person to appoint an administrator, or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, except for the purpose of or in connection with a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms previously approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (b) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer, or another one or more of its Principal Subsidiaries or any one or more of its other Subsidiaries which by virtue of the transfer become Principal Subsidiaries; or
- (vii) an administrative or other receiver or any manager is duly appointed of the Issuer or any Principal Subsidiary or the directors of the Issuer or of any Principal Subsidiary request any person to appoint such a receiver or manager over any of their respective assets or properties which are material in the context of the business of the Issuer and its Principal Subsidiaries taken as a whole,

provided that in the case of an event falling within paragraph (ii), (iii), (iv) or (vii) and, in so far as the relevant events relate to a Principal Subsidiary, (v) or (vi) the Trustee shall have certified in writing to the Issuer that in its opinion such event is materially prejudicial to the interests of the Bondholders.

As used in this Condition:

“Consolidated Tangible Net Worth” means the aggregate of the amounts paid-up or created as paid-up on the Issuer’s issued share capital and the amount of the consolidated capital and revenue reserves of the Group (including any share premium account, capital redemption reserve, revaluation reserve and other reserves and the aggregate credit balance on the consolidated profit and loss account, but excluding minority interests) all as shown by the consolidated balance sheet and consolidated profit and loss accounts of the Group contained in the Latest Consolidated Balance Sheet, but after:

- (i) deducting any aggregate debit balance on such consolidated profit and loss account;
- (ii) deducting any amount shown in such consolidated balance sheet in respect of goodwill and other intangible assets; and
- (iii) making such adjustments during any financial year as may be appropriate to reflect any contribution to the Issuer’s share capital and goodwill or other intangible assets acquired since the date of the Latest Consolidated Balance Sheet,

so that no amount shall be included or excluded more than once in the same calculation.

“**Latest Consolidated Balance Sheet**” means, at any date, the then latest final or interim consolidated balance sheet forming part of the group accounts of the Issuer prepared in accordance with then prevailing United Kingdom generally accepted accounting principles.

“**Principal Subsidiary**” means at any relevant time a Subsidiary (other than an Excluded Subsidiary) of the Issuer whose unconsolidated net assets attributable to the Issuer are not less than 10 per cent. of the consolidated net assets attributable to the Issuer and all of its Subsidiaries taken as a whole as at the date of the most recent published consolidated audited balance sheet of the Issuer, provided that if a Principal Subsidiary shall, since the date of the most recent published consolidated audited balance sheet of the Issuer (a) have ceased to be a Subsidiary of the Issuer or (b) have transferred all or substantially all of its business or assets to one or more other Subsidiaries of the Issuer, it shall cease to be a Principal Subsidiary, all as more particularly provided in the Trust Deed.

“**Threshold Amount**” means £20,000,000 (or its equivalent in any other currency) or, if greater, 0.5 per cent. of Consolidated Tangible Net Worth.

12 Enforcement of Rights

At any time after the Bonds become due and repayable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by Bondholders holding at least one-fifth in principal amount of the Bonds outstanding, and (b) it shall have been indemnified to its satisfaction. No Bondholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Replacement of Bonds and Coupons

Should any Bond or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Paying and Conversion Agent in London for the time being upon payment by the claimant of the expenses, taxes and duties incurred in connection therewith and on such terms as to evidence, indemnity and security as the Issuer may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

14 Meetings of Bondholders; Modifications; Waiver; Substitution

(a) Meetings

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing 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 Bonds so held or represented, provided that at any meeting the business of which includes the modification of certain of these Conditions and certain of the provisions of the Trust Deed (including, *inter alia*, those relating to status, conversion terms and the currency, amount (but not to increase such amount) and due date of payment of principal and interest or other amounts in respect of the Bonds) the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution duly passed in accordance with the provisions of the Trust Deed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour, and on all Couponholders.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Bondholders or Couponholders, to any modification to any of these Conditions or the Bonds or the Coupons or any of the provisions of the Trust Deed which in its opinion is of a formal, minor or technical nature, is made to correct a manifest or (to the satisfaction of the Trustee) proven error or is not materially prejudicial to the interests of the Bondholders. The Trustee may also agree without the consent of the Bondholders or

Couponholders but only if in its opinion so to do will not be materially prejudicial to the interests of the Bondholders (a) to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or of these Conditions or the Bonds or the Coupons or (b) that any Event of Default or any event, condition or act which, with the giving of notice and/or lapse of time and/or issue of a certificate, would be an Event of Default shall not be treated as such. The Trustee may also agree, without the consent of the Bondholders or Couponholders, on or after the Specified Date (as defined below) to such modifications to the Bonds, the Coupons and the Trust Deed in order to facilitate payment of interest in euro and redemption at the euro-equivalent of the sterling principal amount of the Bonds and associated reconventioning, renominalisation and related matters as may be proposed by the Issuer (and confirmed by an independent financial institution approved by the Trustee to be in conformity with then applicable market conventions). For these purposes, “**Specified Date**” means the date on which the United Kingdom participates in the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community or otherwise participates in European Economic and Monetary Union in a similar manner.

(c) Substitution of Issuer

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment to the Trust Deed and such other conditions as the Trustee may require, which may include the giving of a guarantee, but without the consent of the Bondholders or the Couponholders, to the substitution of any other company in place of the Issuer, or any previously substituted company, as principal debtor under the Trust Deed, the Bonds and the Coupons and as a party to the Agency Agreement subject to the Bonds continuing to be convertible or exchangeable into Ordinary Shares and if the substitute is not the Issuer’s successor in business being unconditionally and irrevocably guaranteed by the Issuer to the satisfaction of the Trustee. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders or Couponholders, to a change of the law governing the Bonds, the Coupons and/or the Trust Deed provided that such change would in the opinion of the Trustee not be materially prejudicial to the interests of the Bondholders.

(d) Notice to Bondholders

Any such modification, waiver, authorisation or substitution shall be binding on the Bondholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Bondholders by the Issuer in accordance with Condition 16 as soon as practicable.

(e) Exercise of Powers etc.

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation, determination or substitution as aforesaid) the Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further notes, bonds or debentures either having the same terms and conditions as any outstanding notes, bonds or debentures of any series (including the Bonds) in all respects (or in all respects except for the first payment of interest in respect of them) and so that such further notes, bonds or debentures shall be consolidated and form a single series with the outstanding notes, bonds or debentures of the relevant series (including the Bonds) or upon such terms as to interest, 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 further 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.

16 Notices

Notices to Bondholders will be valid if published in at least one leading English language daily newspaper published in London or, if this is not, in the opinion of the Trustee, practicable, in at least one leading English language daily newspaper approved by the Trustee with circulation in Europe or in such other manner as the Trustee may approve. It is expected that publication will be made in the *Financial Times*. Such notices shall be deemed to have been given on the date of publication, or if published more than once, on the date of first publication.

Couponholders shall be deemed for all purposes to have notice of the contents of any notices given to Bondholders in accordance with this Condition 16.

17 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any of its Subsidiaries without accounting for any profit.

18 Contracts (Rights of Third Parties) Act 1999

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

19 Governing Law

The Trust Deed, the Bonds and the Coupons are governed by, and shall be construed in accordance with, English law.