



## INEOS GRANGEMOUTH PLC

(a public limited company incorporated under the laws of England and Wales with registered no. 08698417)

**€285,000,000 0.750 per cent. Guaranteed Notes due 2019  
unconditionally and irrevocably guaranteed as to payment of scheduled principal and  
scheduled interest pursuant to a deed of guarantee by**



### THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY

**Issue Price: 99.688 per cent.**

The €285,000,000 0.750 per cent. Guaranteed Notes due 2019 (the "Notes") are issued by INEOS Grangemouth plc (the "Issuer"), subject to compliance with all relevant laws, regulations and directives and upon the terms set out herein (the "Issuance").

The Lords Commissioners of Her Majesty's Treasury (the "UK Guarantor") will issue an unconditional and irrevocable guarantee of the Issuer's obligations in respect of payments of scheduled principal and scheduled interest at any time becoming due and payable in respect of the Notes (the "UK Guarantee"). A copy of the UK Guarantee is set out in "The UK Guarantee".

The net proceeds of the Issuance are to be advanced by the Issuer to INEOS Commercial Services UK Limited ("ICSUKL"), its wholly-owned subsidiary, pursuant to a loan agreement (the "Issuer-ICSUKL Loan Agreement"). Such proceeds are to be used, *inter alia*, to meet certain expenditure in connection with the Project described in "Overview of the Project" and for the payment of certain financing costs in relation to the UK Guarantee and the Issuance. For further information see "Overview of the Project".

The rate of interest payable by ICSUKL to the Issuer under the Issuer-ICSUKL Loan Agreement is equal to the rate of interest payable by the Issuer under the Notes and is due and payable prior to the due date for interest payments under the Notes. The principal amount advanced under the Issuer-ICSUKL Loan Agreement is repayable on demand. However, as a result of the UK Guarantee, Noteholders' receipt of scheduled interest and scheduled principal under the Notes will not depend on the Issuer receiving interest payments or other amounts due from ICSUKL under the Issuer-ICSUKL Loan Agreement.

This Information Memorandum does not constitute a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council (as amended) (the "Prospectus Directive"). The Prospectus Directive does not apply to this Information Memorandum.

The Notes will bear interest at a rate per annum equal to 0.750 per cent. payable annually in arrear on 30 July of each year, with the first payment being on 30 July 2015, and calculated on the basis of an actual/actual day-count fraction convention.

Application has been made to Irish Stock Exchange plc (the "Irish Stock Exchange") for the approval of this document as Listing Particulars (as defined below). Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the "Official List") and to trading on the Global Exchange Market (the "GEM"). The GEM is not a regulated market within the meaning of Directive 2004/39/EC. This document constitutes the listing particulars (the "Listing Particulars") in respect of the admission of the

Notes to the Official List and to trading on the GEM. This Information Memorandum has been reviewed by the Irish Stock Exchange for compliance with the listing conditions of the Irish Stock Exchange. No application has been made to admit the Notes to trading on any other stock exchange. Reference in this Information Memorandum to Notes being “listed” (and all related references) shall mean that the Notes have been admitted to the Official List and trading on the GEM.

The Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). The Notes may be offered and sold to non-US persons in offshore transactions in reliance on Regulation S (the “**Regulation S Notes**”). For a description of these and certain further restrictions, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

The Notes will be in registered form and will be represented on issue by a global registered note certificate (the “**Global Certificate**”). The Global Certificate is held under the New Safekeeping Structure (the “**NSS**”) and deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such a common safekeeper. The provisions governing the exchange of interests in the Notes and the provisions governing the exchange of interests in Global Certificates for Certificates (as defined in “*Investment Considerations — Risks Relating to Market Generally*”) are described in “*Summary of Provisions Relating to the Notes while in Global Form*”.

It is expected that the Notes will be assigned on issue an Aa1 rating by Moody's Investors Service Limited (“**Moody's**”). Moody's is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. The rating assigned to the Notes by Moody's reflects only the views of Moody's. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by Moody's as a result of changes in or unavailability of, information or if, in Moody's judgement, circumstances so warrant. A suspension, reduction or withdrawal of the rating assigned to any of the Notes may adversely affect the market price of such Notes. Future events could have an adverse impact on the ratings of the Notes. For a discussion of certain factors regarding the Issuer, the UK Guarantor and the Notes which should be considered by prospective purchasers, see “*Investment Considerations*”. Where Moody's is requested to confirm the then current ratings of the Notes, or to confirm that such ratings will not be downgraded following any particular event, or that a particular act or omission meets certain criteria of Moody's, such confirmation may or may not be given at the sole discretion of Moody's. Furthermore, it may not be possible or practicable for Moody's to give such confirmation or to do so within any particular time period. Confirmation, if and when given, will be given on the basis of the facts and circumstances prevailing at the relevant time. A confirmation of ratings represents only a restatement of the opinions given at the date of this Information Memorandum, and cannot be construed as advice for the benefit of any parties to the Issuance.

**Arranger for the Issuance**

BARCLAYS

**Joint Bookrunners**

BARCLAYS

LLOYDS BANK

The date of this Information Memorandum is 28 July 2014

## IMPORTANT NOTICE

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained in "*Description of the UK Guarantor*" has been obtained solely from publicly available information. The UK Guarantor has neither reviewed this Information Memorandum nor verified the information contained in it, and the UK Guarantor makes no representation, warranty or undertaking, express or implied, with respect to, and does not accept any responsibility or liability for, the contents of this Information Memorandum or any other statement made or purported to be made on its behalf in connection with the Issuer or the issue or offering of the Notes or their distribution. The UK Guarantor accordingly disclaims any and all liability, whether arising in contract, tort or otherwise, which it might otherwise have in respect of this Information Memorandum or any such statement.

The Issuer, having made all reasonable enquiries, confirms that this Information Memorandum contains all information with respect to the Issuer, the UK Guarantor, the Notes and the UK Guarantee (including all information which, according to the particular nature of the Issuer and of the Notes (including in particular, the guarantee of the Issuer's obligations in respect of the scheduled payment of all principal and interest at any time becoming due and payable in respect of the Notes pursuant to the UK Guarantee), is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes and the UK Guarantee), that the information contained or incorporated in this Information Memorandum is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make this Information Memorandum or any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the UK Guarantor, the Joint Bookrunners (as defined in "*Overview of the Issuance*"), the Trustee, the Arranger (as defined in "*Overview of the Issuance*") or any of their respective affiliates or advisers. Nothing shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer, or in the other information contained in this Information Memorandum.

None of the Joint Bookrunners, the Arranger, the UK Guarantor and the Trustee has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Joint Bookrunners, the Arranger, the UK Guarantor and the Trustee as to the accuracy or completeness of the information contained or incorporated in this Information Memorandum or any other information provided by the Issuer in connection with the offering of the Notes. None of the Joint Bookrunners, the Arranger, the UK Guarantor, and the Trustee

accepts any liability whether arising in tort or contract or otherwise in relation to the information contained or incorporated by reference in this Information Memorandum or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the UK Guarantor since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the UK Guarantor since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Issuance is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Information Memorandum and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the UK Guarantor, the Joint Bookrunners and the Arranger to inform themselves about and to observe any such restriction. No action has been or will be taken to permit a public offering of the Notes or the distribution of this Information Memorandum in any jurisdiction. The distribution of this Information Memorandum and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum (or any part thereof) comes are required by the Issuer to inform themselves about and to observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any State securities laws. Notes may not be offered or sold within the United States, or for the benefit or account of, or to, any US persons (as defined in Regulation S under the Securities Act (Regulation S)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable State securities laws. For a description of certain restrictions on offers and sales of Notes and on distribution of this Information Memorandum, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer, the UK Guarantor or the Joint Bookrunners to subscribe for, or purchase, any Notes and should not be considered as a recommendation by the Issuer, the UK Guarantor or the Joint Bookrunners that any recipient of this Information Memorandum should subscribe for or purchase any Notes.

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the UK Guarantor, the UK Guarantee and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Purchasers of Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Information Memorandum (if any) and the merits and risks of investing in the Notes in the context of their financial position and circumstances. The investment considerations identified in this Information Memorandum are provided as general information only and the Joint Bookrunners and the Arranger disclaim any responsibility to advise purchasers of Notes of the

risks and investment considerations associated therewith as they may exist at the date hereof or as they may alter from time to time.

This Information Memorandum should be used and construed together with any amendment or supplement thereto and with any other document incorporated by reference into this Information Memorandum. In connection with the Notes, Barclays Bank PLC (the “**Stabilising Manager**”) (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

The Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In this Information Memorandum, unless otherwise specified or the context otherwise requires, “euro”, “€” or “EUR” denote the single currency of the Participating Member States where “**Participating Member State**” means any member state of the European Communities that has the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

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## OVERVIEW

### Key transaction parties

<b>Issuer:</b>	INEOS Grangemouth plc, a public limited liability company incorporated under the laws of England and Wales with registered number 08698417 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, UK.
<b>Issuer Group:</b>	The Issuer and its wholly-owned subsidiaries as at the date of this Information Memorandum, ICSUKL and ICGL.
<b>ICSUKL:</b>	INEOS Commercial Services UK Limited, a limited liability company incorporated under the laws of England and Wales with registered number 07445497 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, UK.
<b>ICGL:</b>	INEOS Chemicals Grangemouth Limited, a limited liability company incorporated under the laws of England and Wales with registered number 06981897 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, UK.
<b>IHL:</b>	INEOS Holdings Limited, a limited liability company incorporated under the laws of England and Wales with registered number 04215887 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, UK.
<b>UK Guarantor:</b>	The Lords Commissioners of Her Majesty's Treasury.
<b>Trustee:</b>	BNY Mellon Corporate Trustee Services Limited, a private limited company incorporated under the laws of England and Wales having its registered office at One Canada Square, London E14 5AL.
<b>Principal Paying Agent:</b>	Bank of New York Mellon, London Branch, with its specified office at One Canada Square, London E14 5AL.
<b>Account Bank:</b>	Barclays Bank PLC, a public limited company incorporated under the laws of England and Wales with its specified address at 5 North Colonnade, Canary Wharf, London E14 4BB.

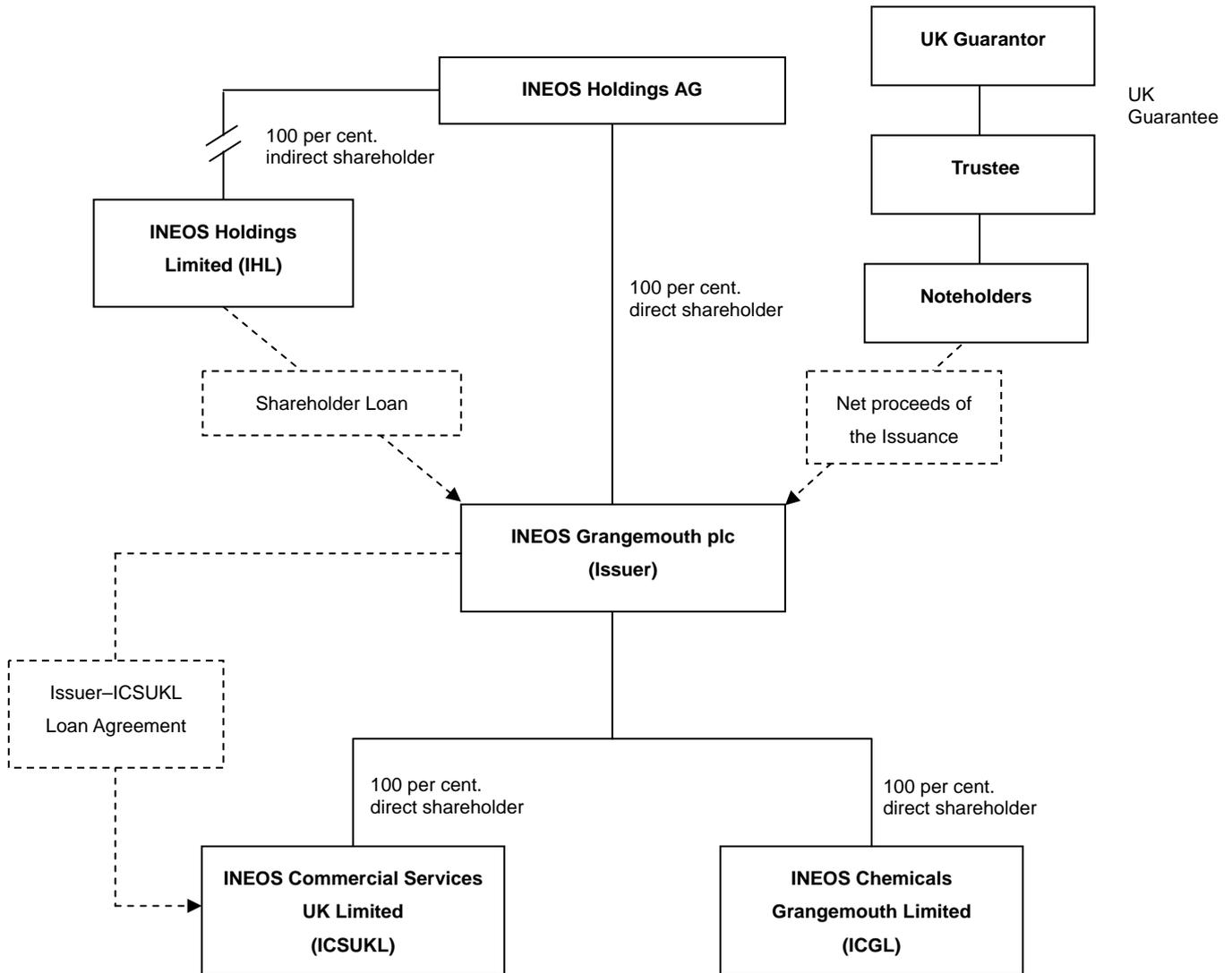
**Arranger:** Barclays Bank PLC, a public limited company incorporated under the laws of England and Wales with its specified address at 5 North Colonnade, Canary Wharf, London E14 4BB.

**Joint Bookrunners:** Barclays Bank PLC, a public limited company incorporated under the laws of England and Wales with its specified address at 5 North Colonnade, Canary Wharf, London E14 4BB.

Lloyds Bank plc, a public limited company incorporated under the laws of England and Wales with its specified address at 10 Gresham Street, London EC2V 7AE.

**Rating Agency:** Moody's.

## Transaction structure



- The Issuer will issue the Notes to Noteholders.
- The UK Guarantor will issue the UK Guarantee. The UK Guarantee will be an unconditional and irrevocable guarantee of the Issuer's obligations in respect of payments of scheduled principal and scheduled interest at any time becoming due and payable in respect of the Notes. A copy of the UK Guarantee is set out in "*The UK Guarantee*".
- The net proceeds of the Issuance are to be advanced by the Issuer to ICSUKL, its wholly-owned subsidiary, pursuant to the Issuer-ICSUKL Loan Agreement. Such proceeds are to be used, *inter alia*, to meet certain expenditure in connection with the Project and for the payment of certain financing costs in relation to the UK Guarantee and the Issuance. For further information see "*Overview of the Project*".

- The rate of interest payable by ICSUKL to the Issuer under the Issuer-ICSUKL Loan Agreement is equal to the rate of interest payable by the Issuer under the Notes and is due and payable prior to the due date for interest payments under the Notes. The principal amount advanced under the Issuer-ICSUKL Loan Agreement is repayable on demand. However, as a result of the UK Guarantee, Noteholders' receipt of scheduled interest and scheduled principal under the Notes will not depend on the Issuer receiving interest payments or other amounts due from ICSUKL under the Issuer-ICSUKL Loan Agreement.
- Additional funding for the Project will be provided by, *inter alia*, a shareholder loan between the Issuer as borrower and IHL as lender under which ICSUKL and ICGL will be guarantors (the "**Shareholder Loan**"). The net proceeds of the Shareholder Loan will also be advanced by the Issuer to ICSUKL under the Issuer-ICSUKL Loan Agreement.

## Key characteristics of the Notes

<b>Description of Notes:</b>	€285,000,000 0.750 per cent. Guaranteed Notes due on 30 July 2019 to be issued by the Issuer on 30 July 2014 or such later date as may be agreed by the Issuer, the Arranger and the Joint Bookrunners (the “ <b>Issue Date</b> ”).
<b>Form:</b>	The Notes will be issued in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof.
<b>Status of the Notes:</b>	The Notes will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> and rateably without any preference or priority among themselves and with all other outstanding, unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
<b>UK Guarantee:</b>	<p>The Notes will have the benefit of the UK Guarantee pursuant to which the UK Guarantor will unconditionally and irrevocably guarantee to the Trustee on behalf of the Noteholders the payment of all sums due and payable but unpaid by the Issuer in respect of Scheduled Interest on, and Scheduled Principal of, the Notes.</p> <p>“<b>Scheduled Interest</b>” means interest payable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders under the Notes as specified and calculated in accordance with the terms and conditions of the Notes (the “<b>Conditions</b>”) (as may be adjusted in accordance with the Conditions, but disregarding any default interest, indemnity payment or any prepayment or early redemption penalties) together with any gross-up amount payable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders in accordance with the Conditions.</p> <p>“<b>Scheduled Principal</b>” means principal repayable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders under the Notes as specified in the Conditions (as may be adjusted in accordance with the Conditions, but disregarding any indemnity payment or any prepayment or any early redemption penalty) together with any gross-up</p>

amount payable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders in accordance with the Conditions.

The UK Guarantee will constitute an unsubordinated and unsecured obligation of the UK Guarantor. The UK Guarantor will be subrogated to any rights of the Trustee and/or the Noteholders against the Issuer in respect of amounts due on the Notes which have been paid by the UK Guarantor under the UK Guarantee.

In relation to the UK Guarantee, the Issuer and the UK Guarantor will enter into a guarantee and reimbursement agreement on the Issue Date (the "**Guarantee and Reimbursement Agreement**") Pursuant to the Guarantee and Reimbursement Agreement, the Issuer will be obliged, *inter alia*, to reimburse the UK Guarantor in respect of any payment made by the UK Guarantor under the UK Guarantee and is obliged to pay certain fees and expenses of the UK Guarantor in respect of the provision of the UK Guarantee.

**Interest:**

The Notes will bear interest at a rate per annum equal to 0.750 per cent., payable annually in arrear on 30 July (each an "**Interest Payment Date**") of each year, with the first payment being on 30 July 2015 and the last payment being on the Maturity Date, and calculated on the basis of an actual/actual day-count fraction convention.

**Final Maturity of Notes:**

Unless previously redeemed in full, the Notes will be redeemed at their then principal amount outstanding, together with accrued interest, on 30 July 2019 (the "**Maturity Date**").

**Issuer-ICSUKL Loan Agreement:**

The net proceeds of the Issuance are to be advanced by the Issuer to ICSUKL, its wholly-owned subsidiary, pursuant to the Issuer-ICSUKL Loan Agreement. The rate of interest payable by ICSUKL to the Issuer under the Issuer-ICSUKL Loan Agreement is equal to the rate of interest payable by the Issuer under the Notes and is due and payable prior to the Interest Payment Date. The principal amount advanced under the Issuer-ICSUKL Loan Agreement is repayable on demand.

**Timing of payments and notification**

In respect of each Interest Payment Date, the following transfers, payments and notifications shall

**of shortfalls:**

take place:

- (a) the Issuer shall by 10.00 a.m. (London time) on the seventh Business Day immediately preceding an Interest Payment Date notify the Principal Paying Agent, the Trustee and the UK Guarantor if there are insufficient funds in the account held with the Account Bank in the name of the Issuer for the purpose of making payment of scheduled interest and scheduled principal (the "**Debt Payment Account**") to pay the aggregate of the amounts which are specified in the Conditions to be payable in respect of the Notes on such Interest Payment Date (such insufficiency being a "**Shortfall**") and specifying the amount of such Shortfall;
- (b) the Issuer shall arrange for the Principal Paying Agent, the Trustee and the UK Guarantor to receive, before 5.00 p.m. (London time) on the sixth Business Day immediately preceding the relevant Interest Payment Date, a copy of the irrevocable payment instruction to the Account Bank for the amount specified in the Conditions to be payable in respect of the Notes on such Interest Payment Date or, if there is a Shortfall, the amount specified in the Conditions to be payable in respect of the Notes on such Interest Payment Date minus the Shortfall;
- (c) the Issuer will, before 5.00 p.m. (London time), on the second Business Day immediately preceding the relevant Interest Payment Date, pay to the Principal Paying Agent an amount equal to the aggregate of the amounts which are specified in the Conditions to be payable in respect of the Notes on such Interest Payment Date or, if there is such a Shortfall, the amount specified in the Conditions to be payable in respect of the Notes on such Interest Payment Date minus the Shortfall;
- (d) the Principal Paying Agent shall promptly notify the Issuer, the Trustee, the UK Guarantor and the other Paying Agent by fax:

1. if it has not, by the relevant time

specified in paragraph (a) above, received a copy of the irrevocable payment instruction to the Account Bank for the full amount specified in the Conditions to be payable in respect of the Notes on such Interest Payment Date; and

2. if it receives unconditionally the full amount specified in the Conditions to be payable in respect of the Notes on such Interest Payment Date after the date referred to in paragraph (c) above;

(e) if the Issuer notifies the Principal Paying Agent, the Trustee and the UK Guarantor that there will be a Shortfall or the Issuer makes a payment to the Principal Paying Agent that is less than the full amount specified in the Conditions due on the relevant Interest Payment Date and the Principal Paying Agent has made the notification referred to in paragraph (d) above:

1. the Trustee shall promptly (and in any event where the Issuer notifies a Shortfall in accordance with paragraph (a) above, by no later than 12.00 p.m. (London time) on the fifth Business Day immediately preceding an Interest Payment Date) deliver a Notice of Demand to the UK Guarantor in accordance with the UK Guarantee requiring the UK Guarantor to make payment (in an amount equal to the Shortfall) to an account of the Trustee or (as the case may be) the Principal Paying Agent, pursuant to the UK Guarantor; and
2. if the Trustee or (as the case may be) Principal Paying Agent subsequently receives unconditional and irrevocable payment from the Issuer in respect of such Shortfall ("**Late Funds**") after the UK Guarantor has made payment in respect of such Shortfall in accordance with this Agreement and the UK Guarantee (each such payment by the UK Guarantor, a "**Guarantor Payment**"), the Principal

Paying Agent shall within two Business Days of receipt of the Late Funds:

- (i) cause notice of that receipt to be published under Condition 18 (*Notices*);
- (ii) pay an amount equal to the Late Funds (such amount not exceeding the relevant Guarantor Payment) in immediately available funds to an account nominated by the UK Guarantor and notified to the Principal Paying Agent in writing; and
- (iii) return the balance (if any) of the Late Funds to the Issuer.

The Principal Paying Agent shall notify each of the other Paying Agents and the Trustee by no later than 11.00 a.m. on the relevant Interest Payment Date if it has not by such time received unconditionally the full amount in euro required for the relevant payment following a demand being made by the Trustee in respect of any relevant Shortfall under the UK Guarantee in accordance with the Agency Agreement.

**Early Redemption at the Option of the Issuer:**

The Notes may be redeemed in whole or in part at the option of the Issuer on any date upon the Issuer giving not fewer than 30 nor more than 60 days' notice to Noteholders at the Make Whole Redemption Price (together with accrued but unpaid interest thereon) (as described in Condition 5.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*)).

**Acceleration of the Notes:**

If a UK Guarantor Non-Payment Event or UK Guarantee Illegality Event occurs, the Trustee shall only declare the Notes immediately due and payable if it has been directed to do so either:

- (a) in writing by the holders of not less than 25 per cent. in principal amount of the Notes for the time being outstanding; or
- (b) by an Extraordinary Resolution of the Noteholders,

subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, whereupon, upon notice to the Issuer in writing, the Notes shall become immediately due and payable at their principal amount (together with accrued but unpaid interest thereon).

In no circumstance will the UK Guarantor be entitled to direct the Trustee to accelerate the Notes.

**“UK Guarantor Non-Payment Event”** means the Nonpayment (as defined under the UK Guarantee) by the Issuer of any Guaranteed Amount on the Due Date (each as defined under the UK Guarantee) and such Guaranteed Amount is not paid by the UK Guarantor on the date stipulated in the UK Guarantee.

**“UK Guarantee Illegality Event”** means (a) the UK Guarantor disclaiming, disaffirming, repudiating and/or challenging the validity of any of its obligations under the UK Guarantee or seeking to do so or (b) the UK Guarantor obtaining final, non-appealable and unconditional discharge of its obligations under the UK Guarantee resulting in the UK Guarantee ceasing to be in full force and effect.

**Modification, Waiver and Substitution:**

The Trustee may, without the consent of the Noteholders, concur with the Issuer and any other relevant party in making any modification of (subject to certain exceptions), or in granting any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, Trust Deed, Agency Agreement or UK Guarantee in the circumstances and subject to the conditions described in Condition 12.3 (*Instruction by UK Guarantor, Meetings of Noteholders, Modification, Waiver and Substitution – Modification of the Trust Deed or Agency Agreement*) of the Notes. In particular, if such a modification would constitute a Basic Terms Modification, so long as neither a UK Guarantor Non-Payment Event nor a UK Guarantee Illegality Event has occurred, the UK Guarantor must provide its prior written consent to such modification. The Trustee will not incur liability to any person for so agreeing to a modification or waiver.

**Control of the UK Guarantor:**

So long as neither a UK Guarantor Non-Payment Event nor a UK Guarantee Illegality Event has occurred, the Trustee shall be required to exercise all the powers, trusts, authorities, and discretions vested

in it only as directed in writing by the UK Guarantor and no Noteholder shall have any claim against the Trustee for so doing. The UK Guarantor shall have no power to instruct the Trustee at any time after either a UK Guarantor Non-Payment Event or a UK Guarantee Illegality Event has occurred.

Notwithstanding the preceding paragraph, the UK Guarantor will not be entitled to give requests or directions to the Trustee to the extent that such request, direction or, as the case may be, vote, relates to a Basic Terms Modification, any Trustee Excluded Right (as defined in the Trust Deed) or the giving of an Acceleration Notice pursuant to Condition 10 (*Events of Default*). In the event that any modification to the Conditions, the Trust Deed, the Agency Agreement or the UK Guarantee would constitute a Basic Terms Modification and neither a UK Guarantor Non-Payment Event nor a UK Guarantee Illegality Event has occurred, such modification shall only be effective if the UK Guarantor has provided its prior written consent thereto.

**Withholding Tax:**

All payments in respect of the Notes by or on behalf of the Issuer shall be made subject to any withholding or deduction required by law for, or on account of, any taxes as provided in Conditions 6.2 (*Payments—Payments subject to Fiscal Laws*) and 8 (*Taxation*), except that where any withholding or deduction (other than a withholding or deduction described in Condition 8 (*Taxation*)) is required by law in the United Kingdom then, subject to certain exceptions, the Issuer will pay additional amounts to Noteholders to compensate for any such withholding or deduction.

The UK Guarantee provides for the payment of additional amounts by the UK Guarantor in respect of payments under the UK Guarantee for, or on account of, any withholding or deduction required by any law or regulation of the United Kingdom so that the net amount received by the Trustee on behalf of the Noteholders after the withholding or deduction shall equal the respective net amounts which would have been receivable under the Notes (after any applicable withholding or deduction) from the Issuer had the Issuer satisfied its obligations under the Notes.

**Credit Rating:**

It is expected that the Notes will be assigned, on issue, an Aa1 credit rating by Moody's. A security

rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

**Listing and admission to trading:**

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the GEM.

**Governing Law:**

The Notes, the Trust Deed, the Agency Agreement and the UK Guarantee will be governed by, and construed in accordance with, English law.

**Selling Restrictions:**

None of the Notes nor the UK Guarantee has been, or will be, registered under the Securities Act and, subject to certain exceptions, none of the Notes nor the UK Guarantee may be offered or sold within the United States. Each of the Notes and the UK Guarantee may be sold in other jurisdictions (including the United Kingdom and other member states of the European Economic Area, the "**Member States**") only in compliance with applicable laws and regulations (see "*Subscription and Sale*").

## INVESTMENT CONSIDERATIONS

*The following is a summary of certain aspects of the Notes about which prospective Noteholders should be aware.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or the UK Guarantor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered principal or significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*This summary is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this document and reach their own views prior to making any investment decision. Further, any prospective Noteholder should take its own legal, financial, accounting, tax and other relevant advice as to the structure and viability of its investment.*

### **Liability under the Notes**

The Notes will solely be obligations of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other entity (other than the UK Guarantor in respect of payments of scheduled principal and scheduled interest). The Notes will not be obligations or responsibilities of the Trustee, the Arranger or the Joint Bookrunners and no person other than the Issuer (and the UK Guarantor in respect of payments of scheduled principal and scheduled interest) will accept any liability whatsoever to Noteholders under the Notes in respect of any failure by the Issuer to pay any amount due under the Notes.

### **Issuer status**

The Issuer is, at the date of this Information Memorandum, a holding company with no business operations other than in connection with the financing of the Project, entering into and exercising its rights and meeting its obligations under certain ancillary arrangements and other business or activities incidental to its incorporation and holding of shares in ICSUKL and ICGL.

The net proceeds of the Issuance are to be advanced by the Issuer to ICSUKL, its wholly-owned subsidiary, pursuant to the Issuer-ICSUKL Loan Agreement. The rate of interest payable by ICSUKL to the Issuer under the Issuer-ICSUKL Loan Agreement is equal to the rate of interest payable by the Issuer under the Notes and is due and payable prior to the due date for interest payments under the Notes. The principal amount advanced under the Issuer-ICSUKL Loan Agreement is repayable on demand.

However, as a result of the UK Guarantee, Noteholders' receipt of scheduled interest and scheduled principal under the Notes will not depend on the Issuer receiving interest payments or other amounts due from ICSUKL under the Issuer-ICSUKL Loan Agreement.

To the extent that the Issuer has insufficient funds to pay scheduled principal and/or scheduled interest under the Notes, the Trustee (on behalf of Noteholders) will have recourse to the UK Guarantee. In deciding to purchase the Notes, Noteholders will ultimately be relying on their

assessment of the UK Guarantee and the creditworthiness of UK Guarantor. The rating of the Notes is hence linked directly to that of the UK Guarantee and UK Guarantor.

### **Unsecured obligations**

The Notes issued constitute unsecured obligations of the Issuer and do not benefit from any security or guarantee from any other entity (other than the UK Guarantor in respect of payments of scheduled principal and scheduled interest).

The obligations of the Issuer to the UK Guarantor and IHL under, *inter alia*, the Guarantee and Reimbursement Agreement and the Shareholder Loan, respectively, are guaranteed by ICSUKL and ICGL, its wholly-owned subsidiaries, and are secured in accordance with a priority deed between, *inter alios*, the Issuer, the UK Guarantor and IHL (the “**Priority Deed**”). The Issuer, ICSUKL and ICGL may, however, allow other security to subsist over any of their respective assets or grant any further such security from time to time as permitted by certain terms and conditions agreed with the UK Guarantor or as may be consented to by the UK Guarantor subject to the terms of the Priority Deed.

The terms of the Priority Deed provide that IHL will, on the occurrence of a UK Guarantor Illegality Event or a UK Guarantor Non-Payment Event, cease to be secured in accordance with the Priority Deed, while the guarantees provided by ICSUKL and ICGL under the Shareholder Loan are expressed to terminate on such an event. The claims of IHL under the Shareholder Loan will therefore rank *pari passu* with the claims of Noteholders against the Issuer following the occurrence of a UK Guarantor Illegality Event or a UK Guarantor Non-Payment Event.

However, such claims will be subordinated to the senior-ranking claims of the Issuer's secured creditors or such creditors as may be preferred by provisions of law that are both mandatory and of general application. The assets of the Issuer would be applied first in satisfying all such senior-ranking claims to the extent required by law or, in the case of secured creditors, to the extent of the assets securing such debt. Payments would be made to Noteholders *pro rata* and proportionately with payments made to holders of any other *pari passu* instruments only if and to the extent that there are any assets remaining after satisfaction of all such senior-ranking claims. If the Issuer's assets are insufficient to meet all of its obligations to senior-ranking and *pari passu* creditors, Noteholders will lose all or some of their investment in the Notes.

The Notes will also be structurally subordinated to all indebtedness of ICSUKL and ICGL. The assets of ICSUKL and ICGL would be applied first in satisfaction of all secured and unsecured creditors of ICSUKL and ICGL. Noteholders would not be entitled to payment of their claims from the assets of ICSUKL and ICGL before their remaining assets (if any) are made available for distribution to the Issuer as a shareholder. Accordingly, Noteholders will have no right to proceed against the assets of ICSUKL and ICGL and creditors of ICSUKL and ICGL, including trade creditors, will generally be entitled to payment in full from the assets of ICSUKL and ICGL before the Issuer, as a shareholder, will be entitled to receive any distributions from ICSUKL and ICGL.

As such, Noteholders should rely on their assessment of the UK Guarantee and the creditworthiness of the UK Guarantor in making a decision as to the suitability of the Notes as an investment.

## The UK Guarantor and the UK Guarantee

### *Rating of the Notes affected by the UK Guarantor*

The rating of the Notes is based on the UK Guarantee and the UK Guarantor. Pursuant to the UK Guarantee, the UK Guarantor will guarantee payments of scheduled principal and scheduled interest under the Notes (the “**Guaranteed Amounts**”). The payment of the Guaranteed Amounts will, therefore, depend upon the UK Guarantor performing its obligations under the UK Guarantee to the extent that the Issuer has defaulted in making payments of scheduled principal and interest under the Notes. The likelihood of the Guaranteed Amounts being paid in these circumstances will depend upon the creditworthiness of the UK Guarantor. Accordingly, Noteholders will be relying on the creditworthiness of the UK Guarantor to perform its obligations under the UK Guarantee in the event that Guaranteed Amounts are not paid by the Issuer. The occurrence of a UK Guarantor Non-Payment Event or a UK Guarantee Illegality Event would adversely affect the likelihood of Noteholders receiving payments of scheduled principal and scheduled interest on the Notes and could result in a withdrawal or downgrade of the ratings of the Notes.

### *Control by the UK Guarantor*

Although the UK Guarantee mitigates the credit risks to which Noteholders would otherwise be exposed, involvement of the UK Guarantor will have certain consequences. In particular, so long as neither a UK Guarantor Non-Payment Event nor a UK Guarantee Illegality Event has occurred, the Trustee shall be required to exercise all the powers, trusts, authorities and discretions vested in it only as directed in writing by the UK Guarantor and no Noteholder shall have any claim against the Trustee for so doing. The UK Guarantor shall have no power to instruct the Trustee at any time after either a UK Guarantor Non-Payment Event or a UK Guarantee Illegality Event has occurred.

Notwithstanding the preceding paragraph, the UK Guarantor will not be entitled to give requests or directions to the Trustee to the extent that such request, direction or, as the case may be, vote relates to a Basic Terms Modification. However, in the event that any modification to the Conditions, the Trust Deed, the Agency Agreement or the UK Guarantee would constitute a Basic Terms Modification and neither a UK Guarantor Non-Payment Event nor a UK Guarantee Illegality Event has occurred, such modification shall only be effective if the UK Guarantor has provided its prior written consent thereto.

### *Sovereign risks and state aid*

Transactions entered into with sovereigns or other emanations of the state (a “**Relevant State Entity**”) can be exposed to certain risks, including in relation to sovereign immunity and procurement and competition law. These risks include, in the context of the provision of a guarantee by a Relevant State Entity, that a guarantee constitutes unlawful state aid. The provision of guarantees (“**Guarantees**”) by Her Majesty’s Treasury in relation to UK infrastructure projects is authorised pursuant to the Infrastructure (Financial Assistance) Act 2012 which received Royal Assent on 31 October 2012. The Issuer understands, on the basis of publicly available information, that the form of such Guarantees has been designed to comply with the provisions of section 3.2 of the Commission Notice on the application of Articles 87 and 88 of the EC Treaty to state aid in the form of guarantees (2008/C 155/02). The Issuer is not aware of any challenge on the basis of state aid in relation to the Project or the UK Guarantee.

## **Risks related to the Notes generally**

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

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### *Redemption for taxation reasons*

In the event that (i) the Issuer has or will become obliged to pay additional amounts in respect of the Notes due to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom, or any political sub-division or any authority thereof or therein having the power to tax, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political sub-division or any authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all of the outstanding Notes in accordance with the Terms and Conditions.

### *Withholding tax in respect of the Notes*

If the Notes are and remain listed on a “recognised stock exchange” within the meaning of section 1005 of the United Kingdom Income Tax Act 2007, payments of interest on the Notes may be made without withholding for or on account of any United Kingdom income tax. The Notes are intended to be listed on the Irish Stock Exchange, which is a “recognised stock exchange” for these purposes. In other cases, if interest on the Notes is treated as “arising in the United Kingdom”, payments of interest on the Notes may be subject to withholding on account of UK income tax at the basic rate (currently 20 per cent) (see “*Taxation of the Issuer*”).

In the event that withholding is required by law in the United Kingdom then, subject to certain exceptions, the Issuer will pay additional amounts to Noteholders to compensate for any such withholding or deduction.

### *EU Savings Directive*

Under EC Council Directive 2003/48/EC (the “**Directive**”) on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of certain payments of interest or similar income paid by a person within its jurisdiction to an individual resident in that other Member State or certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or legal arrangement is established or effectively managed outside the European Union.

However, for a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. On 10 April 2013, the Luxembourg Ministry of Finance announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State or other country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to the Notes as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

### *New Safekeeping Structure*

The Issuer intends that the Notes will be registered on issue in the name of a nominee for Euroclear or Clearstream, Luxembourg as common safekeeper. This does not necessarily mean that the Notes will be recognised as eligible collateral for the Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

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

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

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Information Memorandum.

### *Change of law*

The Conditions and the UK Guarantee are based on English law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Information Memorandum.

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

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

#### *The secondary market generally*

Notwithstanding the fact that an application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and for such Notes to be admitted to trading on the GEM, the Notes may have no established trading market when issued, and one may never develop. If a secondary

market does develop for any of the Notes, there can be no assurance that it will provide the holder of the notes with liquidity or that such liquidity will continue for the life of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. As such, the Notes generally will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of the Notes.

The liquidity and market value at any time of the Notes is affected by, among other things, the market view of the credit risk of such Notes and will generally fluctuate with general interest rate fluctuations, general economic conditions, the condition of certain financial markets and domestic and international political events

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

The Issuer will pay principal, interest and other amounts in respect of the Notes and the UK Guarantor will make any payment under the UK Guarantee in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

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

#### *Trading and clearing system*

For so long as the Notes are represented by a Global Certificate and the relevant clearing system(s) so permit, the Notes will be tradeable in denominations of €100,000 and integral multiples of €1,000 in excess thereof subject always to a minimum denomination and trading amount of €100,000. There can be no assurance however that the relevant clearing system(s) will enforce such minimum trading amount. Should certificates in respect of definitive Notes be issued ("**Certificates**"), Certificates in denominations of less than €100,000 will not be printed in any circumstances.

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

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes constitute legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase

or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

## USE OF PROCEEDS

### Use of proceeds

The net proceeds of the Issuance are to be advanced by the Issuer to ICSUKL, its wholly-owned subsidiary, pursuant to the Issuer-ICSUKL Loan Agreement. Such net proceeds will reflect the deduction by the Arranger and the Joint Bookrunners of their fees, costs and expenses for the issue of the Notes.

Subject to certain terms and conditions agreed between the Issuer Group and the UK Guarantor, ICSUKL may apply such amounts advanced to it for the purposes of, *inter alia*, meeting certain expenditure in connection with the Project and the payment of financing costs in relation to the UK Guarantee and the Issuance. For further information see “*Overview of the Project*”.

### Additional funding

Additional funding for the Project will be provided by, *inter alia*, the Shareholder Loan. The net proceeds of the Shareholder Loan will also be advanced by the Issuer to ICSUKL under the Issuer-ICSUKL Loan Agreement.

## OVERVIEW OF THE PROJECT

### The Project

The project involves, *inter alia*, the design and construction of (i) new port facilities (which include the jetty infrastructure and pipe connections) and (ii) a new ethane tank and associated modifications to the KG ethylene cracker owned and operated by ICGL (the “**Ethylene Cracker**”), in each case at the petrochemical site in Grangemouth, Scotland (the “**Grangemouth Site**”), together with all ancillary facilities and operations associated therewith (the “**Project**”).

The Project works will be procured by ICGL, a wholly-owned subsidiary of the Issuer and a sister company of ICSUKL, and will be financed by ICSUKL using, *inter alia*, the net proceeds of the Issuance advanced by the Issuer pursuant to the Issuer-ICSUKL Loan Agreement.

ICGL has selected TGE Gas Engineering GmbH (“**TGE**”) as the preferred bidder for carrying out construction works in relation to the Project and on 30 June 2014 ICGL and TGE entered into an engineering, procurement and construction contract concerning the building of the ethane tank and related infrastructure (the “**EPC Contract**”). ICGL believes that TGE is well-placed to deliver under the EPC Contract as it is already constructing an ethane tank for Noretyl AS in Rafnes, Norway. ICGL will own, operate and maintain (or procure the operation and maintenance of) the ethane tank and related infrastructure following completion of the Project.

### Project rationale

The rationale of the Project is to secure the longevity of the petrochemical feedstock to the Grangemouth Site for the long term following a disruption in available stock from the North Sea and lack of locally available alternatives to offset the long term outlook of declining North Sea petrochemical volumes. It is intended that the Project will enable ICGL to import and store ethane, such as shale-based ethane from the US, and utilise it in the Ethylene Cracker.

The quantity of ethane which, following completion of the Project, could be imported and stored by ICGL is expected to enable the Ethylene Cracker to increase its throughput from less than half of its capacity as at the date of this Information Memorandum to full capacity in the future. It is also expected that imports of shale-based ethane from the US will lead to significant pricing benefits relative to the European ethylene market.

A location for the ethane tank has been identified on the north side of the Grangemouth Site. As at the date of this Information Memorandum, it is anticipated that the Project will have reached completion and the infrastructure will be in place to receive imports of ethane by the third quarter of 2016. The Ethylene Cracker is one of only four gas crackers in Europe and, following completion of the Project, it will be capable of using imported US shale ethane as its primary feedstock.

## DESCRIPTION OF THE ISSUER GROUP

### Issuer

The Issuer was incorporated in England and Wales on 19 September 2013 under the Companies Act 2006 (the “**Companies Act**”) as a private limited company with registered number 08698417 at Companies House and was re-registered as a public limited company in connection with the Issuance. It obtained its certificate of incorporation on re-registration of a private company as a public company on 14 July 2014. The registered office of the Issuer is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG, UK and its telephone number is +44 (0)2380 287 067. Pursuant to section 31 of the Companies Act, the Issuer’s objects are unrestricted.

The Issuer does not as at the date of this Information Memorandum carry on any business or activities other than those incidental to its holding of shares in ICSUKL and ICGL, the financing of the Project and other matters described or contemplated in this Information Memorandum.

As at the date of this Information Memorandum, the Issuer is a wholly-owned subsidiary of INEOS Holdings AG (a limited liability company incorporated under the laws of Switzerland) and its issued share capital is €57,100 divided into 57,100 fully-paid ordinary shares of €1.

### Directors

As at the date of this Information Memorandum, the members of the Board of the Issuer are:

Gerard Hepburn	Director, Company Secretary
Geir Tuft	Director
Calum Maclean	Director
Declan Sealy	Director
Gordon Milne	Director
Henry Deans	Director
Ian Fyfe	Director

The business address of the directors is Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG

None of the directors holds any directorship outside of the INEOS group that is material to the Issuance.

The Articles of Association of the Issuer permit the Board to consider, and if it sees fit, authorise director’s conflicts of interest. Conflicts of interest can include situations where a director has an interest that directly or indirectly conflicts, or may possibly conflict, with the interests of the Issuer. The Board operates a formal system for directors to declare at all Board meetings all conflicts of interest. In deciding whether or not to authorise a conflict of interest, the directors must act in the way they consider, in good faith, would be most likely to promote the success of the Issuer. The directors have

a continuing duty to inform the Board of any potential conflicts immediately so that such conflicts may be considered. No director has any business interests nor performs any activities outside the Issuer which are significant with respect to the Issuer.

Other than conflicts disclosed in accordance with the formal system described above, there are no potential conflicts of interest between any duties of any members of the Board and their private interests and/or other duties.

### **ICSUKL**

ICSUKL was incorporated in England and Wales on 19 November 2010 under the Companies Act 2006 as a private limited company with registered number 07445497 at Companies House. The registered office of ICSUKL is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG.

ICSUKL is the trading and commercial entity of the Issuer Group and the owner, *inter alia*, of the Issuer Group's feedstock contracts and petrochemical product inventory. The feedstock is processed into petrochemical products at the Grangemouth Site through an intra-group tolling arrangement with ICGL.

As at the date of this Information Memorandum, ICSUKL is a wholly-owned subsidiary of the Issuer and its issued share capital is £1 divided into 1 ordinary share of £1. The share is fully paid.

### **ICGL**

ICGL was incorporated in England and Wales on 5 August 2009 under the Companies Act 2006 as a private limited company with registered number 06981897 at Companies House. The registered office of ICGL is at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG.

ICGL is the owner and operator of the Issuer Group's petrochemical assets at the Grangemouth Site and, through an intra-group tolling arrangement with ICSUKL, processes feedstock into petrochemical products for ICSUKL. Its main assets are the Ethylene Cracker and the downstream polymer plants (polyethylene and polypropylene) and associated infrastructure in the UK.

As at the date of this Information Memorandum, ICGL is a wholly-owned subsidiary of the Issuer and its issued share capital is £1 divided into 1 ordinary share of £1. The share is fully paid.

### **DESCRIPTION OF THE UK GUARANTOR**

The Lords Commissioners of Her Majesty's Treasury act for and on behalf of Her Majesty's Government for the purposes of creating, valid and binding obligations in relation to, *inter alia*, the UK Guarantee and therefore the obligations of The Lords Commissioners of Her Majesty's Treasury under the UK Guarantee are obligations of Her Majesty's Government. The UK Guarantor's telephone number is +44 (0)20 270 5000.

As at the date of this Information Memorandum, the UK Government has a sovereign credit rating of AA+ (stable) by Fitch, AAA (negative) by Standard & Poor's and Aa1 (stable) by Moody's.

## THE UK GOVERNMENT GUARANTEE

*The following is a copy of the UK Government Guarantee.*

THIS DEED OF UK GUARANTEE is made on 30 July 2014

**BY:**

- (1) **THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY** of 1 Horse Guards Road, London SW1A 2HQ (the "**Guarantor**")

**IN FAVOUR OF:**

- (2) **THE BOND TRUSTEE** (as defined below).

**RECITALS:**

- (A) The Issuer has, pursuant to the Bond Trust Deed, constituted the Guaranteed Bonds.
- (B) Pursuant to the Guarantor's UK guarantees scheme, the Issuer has requested the Guarantor to provide this UK Guarantee in favour of the Bond Trustee (acting on behalf of the Bondholders) on the terms set out herein.

**NOW THIS DEED OF UK GUARANTEE WITNESSES** as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this UK Guarantee the following expressions have the following meanings:

**"Account"** means, in respect of any payment made by the Guarantor pursuant to this UK Guarantee, the account specified in the relevant Notice of Demand.

**"Affected Guaranteed Obligations"** means those Guaranteed Obligations (identified in the relevant Notice of Demand) in respect of which a Non-payment has occurred or will occur, as specified in the relevant Notice of Demand.

**"Avoided Payment Amounts"** has the meaning given to it in clause 2.2.

**"Bondholders"** means the several persons who are for the time being holders of the Guaranteed Bonds (which, to the extent that the Guaranteed Bonds are represented by a global bond held by a common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg, shall include the beneficial owners of the Guaranteed Bonds in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg).

**"Bond Trustee"** means BNY Mellon Corporate Trustee Services Limited as trustee for the Bondholders, and/or any additional or successor trustee appointed pursuant to the Bond Trust Deed and notified to the Guarantor.

**"Bond Trust Deed"** means the bond trust deed dated on or about the date of this UK Guarantee between the Issuer, the Guarantor and the Bond Trustee constituting the Guaranteed Bonds (as modified or supplemented from time to time).

**"Business Day"** means any day on which banks and other financial institutions are open for business in London, but excluding:

- (a) Saturdays, Sundays and public and statutory holidays in England and Wales; and
- (b) privilege days notified by the Guarantor to the Bond Trustee at least ten Business Days in advance.

**"Due Date"** means, in respect of any Guaranteed Amount, the date upon which such Guaranteed Amount falls due for payment pursuant to the Guaranteed Bonds.

**"Due for Payment"** means in relation to any Guaranteed Amount, that the Due Date for such Guaranteed Amount has been reached. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the Guaranteed Obligations by reason of prepayment (whether mandatory or optional), acceleration of maturity or otherwise.

**"Final Release Date"** means the date on which all the payment obligations of the Issuer under the Guaranteed Bonds are irrevocably and unconditionally satisfied in full.

**"Guaranteed Amounts"** means, with respect to any Due Date, the sum of (without double counting) the following:

- (a) Scheduled Interest; and
- (b) Scheduled Principal.

**"Guaranteed Bonds"** means the €285,000,000 0.750 per cent guaranteed bonds due 2019 issued by the Issuer, and (where the context permits) shall include the Bond Trust Deed.

**"Guaranteed Obligations"** means the payment obligations of the Issuer in respect of the Guaranteed Amounts owing by the Issuer and outstanding under the Guaranteed Bonds from the date hereof to the Final Release Date.

**"Guarantee Fees"** means the guarantee fees payable by the Issuer in consideration of the issue of this UK Guarantee, as specified in the fee letter dated on or about the date of this UK Guarantee between the Guarantor and the Issuer.

**"Insolvency Act"** means the Insolvency Act 1986 of the United Kingdom (as amended, varied, replaced or supplemented from time to time by any Insolvency Law).

**"Insolvency Law"** means any applicable United Kingdom bankruptcy or insolvency law (including, for the avoidance of doubt, the Insolvency Act).

**"Issuer"** means INEOS Grangemouth plc, a public limited liability company incorporated under the laws of England and Wales with registered number 08698417 and having its registered office at Hawkslease, Chapel Lane, Lyndhurst, Hampshire SO43 7FG.

**"Non-payment"** means, as of any Due Date, the failure of the Issuer to have paid to the Bond Trustee, Principal Paying Agent or the Bondholders any Guaranteed Amounts which are due on such Due Date (or which would have been due on such Due Date but for such Guaranteed Amounts having become due prior to such Due Date by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise).

**"Notice of Demand"** means a notice of demand in writing, in the form set out in the Schedule (or in such other form as the Guarantor and the Bond Trustee may agree from time to time) and duly executed by the Bond Trustee. For the avoidance of doubt, a demand for payment by the Bond Trustee under this UK Guarantee which is not made in the form set out

in the schedule (or in such other form as the Guarantor and the Bond Trustee may agree from time to time) shall be void.

**"Preference"** means:

- (a) a preference pursuant to Section 239 of the Insolvency Act;
- (b) an avoidance of any property disposition pursuant to Section 127 of the Insolvency Act; or
- (c) a transaction at an undervalue pursuant to Section 238 of the Insolvency Act; or

any analogous judgment, declaration, decision or similar pursuant to any Insolvency Law.

**"Principal Paying Agent"** means Bank of New York Mellon, London Branch as principal paying agent in respect of the Guaranteed Bonds, or any successor or replacement therefor appointed in accordance with the terms of the Guaranteed Bonds and notified to the Guarantor.

**"Receipt"** means:

- (a) actual delivery to the Guarantor at the address specified in the form of Notice of Demand in the Schedule (or such other address as the Guarantor may, from time to time, notify to the Bond Trustee); or
- (b) receipt by the Guarantor by email at the email address specified in the form of Notice of Demand in the Schedule (or such other email address as the Guarantor may, from time to time, notify to the Bond Trustee),

in each case, prior to 12.00 noon (London time) on a Business Day. Delivery or receipt by email (as the case may be) either on a day that is not a Business Day or after 12.00 noon (London time) shall be deemed to be Receipt on the next Business Day.

**"Scheduled Interest"** means interest payable by the Issuer to the Bondholders or to the Bond Trustee for the benefit of the Bondholders under the Guaranteed Bonds as specified and calculated in accordance with the Guaranteed Bonds (as may be adjusted in accordance with the terms of the Guaranteed Bonds, but disregarding any default interest, any indemnity payments or any prepayment or early redemption penalties) together with any gross-up amounts payable by the Issuer to the Bondholders or to the Bond Trustee for the benefit of the Bondholders in accordance with the terms of the Guaranteed Bonds.

**"Scheduled Principal"** means principal repayable by the Issuer to the Bondholders or to the Bond Trustee for the benefit of the Bondholders under the Guaranteed Bonds as specified in the Guaranteed Bonds (as may be adjusted in accordance with the terms of the Guaranteed Bonds, but disregarding any default interest, any indemnity payments or any prepayment or early redemption penalties) together with any gross-up amounts payable by the Issuer to the Bondholders or to the Bond Trustee for the benefit of the Bondholders in accordance with the terms of the Guaranteed Bonds.

## 1.2 Construction

- (a) Any reference in this UK Guarantee to a clause or the schedule is, unless otherwise stated, to a clause hereof or the schedule hereto.
- (b) Any reference in this UK Guarantee to **this UK Guarantee** shall be deemed to be a reference to this UK Guarantee as a whole and not limited to the particular clause,

schedule or provision in which the relevant reference appears and to this UK Guarantee as varied, amended, supplemented or substituted from time to time.

- (c) The headings in this UK Guarantee are inserted for convenience only and shall be of no legal effect.
- (d) Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.

## 2. **UK GUARANTEE**

### 2.1 **Guaranteed Amounts**

The Guarantor hereby agrees unconditionally and irrevocably to pay to the Bond Trustee for the benefit of the Bondholders any Guaranteed Amounts which have become Due for Payment but which are unpaid by reason of Non-payment, as if the Guarantor was the principal obligor in respect of the Guaranteed Bonds.

### 2.2 **Avoided Payment Amounts**

In the event that the Bond Trustee has notice that any payments of Guaranteed Amounts which have become Due for Payment and which have been made to the Bond Trustee or to any Bondholder by or on behalf of the Issuer have been declared (in whole or in part) a Preference and are required to be repaid by the Bond Trustee or such Bondholder pursuant to any Insolvency Law in accordance with a final non-appealable order of a court of competent jurisdiction, the Bond Trustee on behalf of the relevant Bondholders shall be entitled to payment from the Guarantor, upon Receipt by the Guarantor from the Bond Trustee of a duly completed Notice of Demand, to the extent of such recovery (such amounts, the "**Avoided Payment Amounts**").

## 3. **PAYMENTS**

### 3.1 **Time for payment**

- (a) Save in respect of Avoided Payment Amounts, the Guarantor shall make payments which are due under this UK Guarantee to the Bond Trustee by 4.00 p.m. (London time) on (i) the fourth Business Day following Receipt by the Guarantor of a duly completed Notice of Demand or, if later, (ii) the applicable Due Date (or, if that is not a Business Day, the next succeeding Business Day).
- (b) The Guarantor shall make payments in respect of Avoided Payment Amounts which are due under clause 2.2 to the Bond Trustee by 4.00 p.m. (London time) on the fourth Business Day following Receipt by the Guarantor of a duly completed Notice of Demand.

### 3.2 **Method of payment**

Payments due under this UK Guarantee shall be made by the Guarantor by credit to the Account in the appropriate currency or currencies. Payment in full to the Account shall discharge the obligations of the Guarantor under this UK Guarantee to the extent of such payment, whether or not such payment is properly applied by or on behalf of the Bond Trustee or the Principal Paying Agent.

### 3.3 **Gross up**

All payments by the Guarantor under this UK Guarantee shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom or any political subdivision or taxing authority therein or thereof, unless the withholding or deduction is required by law. In that event, the Guarantor will pay such additional amounts (if any) as may be necessary in order that the net amounts received by the Bond Trustee for the benefit of the Bondholders after the withholding or deduction shall equal the respective net amounts which would have been receivable under the Guaranteed Bonds (after any applicable withholdings or deductions) from the Issuer had the Issuer satisfied its obligations thereunder.

4. **SUBROGATION**

Upon the Guarantor making any payment in respect of any Guaranteed Obligation(s) to the Account pursuant to this UK Guarantee, the Guarantor shall, to the extent of any such payment, be fully and automatically subrogated pursuant to applicable law to all of the Bond Trustee's and the Bondholders' rights to payment of any amounts payable in respect of such Guaranteed Obligation (including without limitation (i) any rights and benefits attached to, and any security conferred or granted by law, contract or otherwise in respect of, the Affected Guaranteed Obligations and (ii) any default interest on any of the Affected Guaranteed Obligations accrued pursuant to the Guaranteed Bonds after the date of payment by the Guarantor).

5. **SCOPE OF GUARANTEE**

This UK Guarantee is not cancellable by the Guarantor for any reason, including the failure of the Guarantor to receive payment of any Guarantee Fees due in respect of this UK Guarantee. The Guarantee Fees are not refundable for any reason. This UK Guarantee does not guarantee any accelerated payment (whether by way of prepayment, acceleration or early redemption of the Guaranteed Bonds or otherwise) nor does it provide protection by way of guarantee or otherwise against any risk other than Non-payment or in relation to Avoided Payment Amounts, in each case as provided herein.

6. **IMMEDIATE RECOURSE**

The Guarantor waives any right it may have of first requiring the Bond Trustee or any Bondholder to proceed against or to enforce any other rights or security against or to claim payment from any person before the Bond Trustee may claim from the Guarantor under this UK Guarantee. This waiver applies irrespective of any law or any provision of this UK Guarantee or the Guaranteed Bonds to the contrary.

7. **PRESERVATION OF RIGHTS**

7.1 **Continuing obligations**

The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Guaranteed Obligations.

7.2 **Waiver of defences**

The obligations of the Guarantor under this UK Guarantee shall not in any way be affected by any act, omission, matter or thing which, but for this provision, would reduce, release, diminish or prejudice any of its obligations under this UK Guarantee. In particular (but without limitation), the obligations of the Guarantor under this UK Guarantee shall not be affected by:

- (a) any lack of validity, enforceability or legality of, or any amendment to, any of the Guaranteed Obligations or the Guaranteed Bonds;
- (b) the granting of any time, consent, waiver or other indulgence or concession by any party to the Issuer;
- (c) any insolvency or similar proceedings in relation to the Issuer or any other person;
- (d) the existence of any claim, set-off or other right which the Issuer or the Guarantor may have at any time against the Bond Trustee or any other person;
- (e) any incapacity, lack of power, authority or legal personality of or dissolution or change in the members or status of the Issuer or any other person;
- (f) any amendment, release, novation, supplement, extension, restatement or replacement of the Guaranteed Bonds however fundamental and of whatsoever nature;
- (g) the refusal or failure to take up, hold, perfect or enforce by any person any rights under or in connection with any guarantee, indemnity, security or other document (including any failure to comply with any formality or other requirement or any failure to realise the full value of any security); or
- (h) any other act, omission, event, matter or circumstance which would have discharged or affected the liability of the Guarantor had it been the principal debtor under the Guaranteed Bonds, or anything done or omitted by any person which, but for this provision, might exonerate or discharge the Guarantor or otherwise reduce or extinguish its liability under this UK Guarantee.

## 8. TERMINATION

This UK Guarantee shall terminate upon the last to occur of:

- (a) the payment by the Guarantor of an amount equal to the aggregate amount of all Guaranteed Amounts payable hereunder; and
- (b) (i) the day following the date on which any payment in respect of a Guaranteed Obligation could have been avoided in whole or in part under Insolvency Law; or
  - (ii) if the Issuer becomes subject to any proceedings or other action pursuant to Insolvency Law ("**Insolvency Proceedings**") prior to the occurrence of (b)(i) above, the last to occur of:
    - (A) the date of the final non-appealable conclusion or dismissal of the relevant Insolvency Proceedings without continuing jurisdiction by the court in such Insolvency Proceedings; and
    - (B) if the Bond Trustee or a Bondholder is required to return any payment (or portion thereof) in respect of such Guaranteed Obligation that is declared a Preference as a result of such Insolvency Proceedings, the date on which the Guarantor has made all payments required to be made under the terms of this UK Guarantee to the Bond Trustee for the benefit of the relevant Bondholders in respect of all Avoided Payment Amounts.

9. **MISCELLANEOUS**

This UK Guarantee constitutes the entire agreement between the Guarantor, the Bond Trustee and the Bondholders in relation to the Guarantor's obligation to make payments to the Bond Trustee for the benefit of the Bondholders in respect of Guaranteed Amounts which become Due for Payment but shall have remained unpaid by reason of Non-payment or Avoided Payment Amounts and supersedes any previous agreement between the Guarantor, the Bond Trustee and the Bondholders in relation thereto.

10. **CHANGES TO THE PARTIES**

10.1 The rights and obligations of the Guarantor under this UK Guarantee shall not be assigned, novated or otherwise transferred (whether by virtue of any legislation or any scheme pursuant to any legislation or otherwise) to any person other than to a public body of the United Kingdom (being a single entity) acquiring the whole of the rights and obligations of the Guarantor under this UK Guarantee and having the legal capacity, power and authority to become a party to and to perform the obligations of the Guarantor under this UK Guarantee, being:

- (a) a Minister of the Crown (as defined under, and in accordance with the provisions of, the Ministers of the Crown Act 1975;
- (b) a governmental body or department of the United Kingdom which has (i) sufficient financial standing or financial resources to perform the obligations of the Guarantor under this UK Guarantee and (ii) a credit rating from Moody's Investors Service Limited (or the credit rating agency then rating the Guaranteed Bonds) at least equal to the then current rating of the Guarantor; or
- (c) any other public body of the United Kingdom whose obligations under this UK Guarantee are unconditionally and irrevocably guaranteed (in a form which will not adversely affect the then current rating of the Guaranteed Bonds) by the Guarantor or a Minister of the Crown having the legal capacity, power and authority to perform the obligations of the Guarantor under this UK Guarantee,

(such entity, the "**Incoming Guarantor**").

10.2 A transfer of obligations under this clause 10 (Changes to the parties) will be effective only if the Incoming Guarantor confirms to the Issuer and the Bond Trustee in form and substance satisfactory to both the Issuer and the Bond Trustee that it is bound by the terms of this UK Guarantee. On the transfer becoming effective in this manner the Guarantor will be released from its obligations under this UK Guarantee to the extent that they are transferred to the Incoming Guarantor.

11. **GOVERNING LAW**

This UK Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

**IN WITNESS** whereof this UK Guarantee has been executed by the Guarantor, and is intended to be, and is hereby delivered, as a deed poll on the date specified above.

## SCHEDULE 1

## Form of Notice of Demand

To: The Lords Commissioners of Her Majesty's Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

Attention: *[insert name]*

Or by email to: *[insert email address]*<sup>1</sup>

Deed of Guarantee dated *[insert date]* — Notice of Demand

1. We refer to the Deed of UK Guarantee dated 30 July 2014 (the "**UK Guarantee**") executed by the Lords Commissioners of Her Majesty's Treasury (the "**Guarantor**") in favour of BNY Mellon Corporate Trustee Services Limited (the "**Bond Trustee**") (acting on behalf of the Bondholders) in respect of liabilities of Ineos Grangemouth plc (the "**Issuer**") under €285,000,000 0.750 per cent guaranteed secured bonds due 2019 (the "**Guaranteed Bonds**").
2. Unless the context otherwise requires, capitalised terms used in this Notice of Demand and not defined herein shall have the meanings provided in the UK Guarantee.
3. The undersigned, a duly authorised officer of the Bond Trustee, hereby certifies to the Guarantor that:
  - (a) the Bond Trustee is the "Bond Trustee" under the Bond Trust Deed for the Bondholders;
  - (b) **EITHER** the [Bond Trustee understands, on the basis of notification received from the Principal Paying Agent, that the deficiency in respect of the Guaranteed Amounts which [are/were] Due for Payment on *[insert Due Date]* (the "**Affected Guaranteed Obligations**") [will be/was/is] *[insert applicable currency and amount]* (the "**Shortfall**") (and of such Shortfall (i) *[insert amount]* is Scheduled Interest on the Affected Guaranteed Obligations and (ii) *[insert amount]* is Scheduled Principal on the Affected Guaranteed Obligations);]
 

**OR** [the Bond Trustee or the Bondholders [has/have] been required to repay *[insert applicable currency and amount]* (the "**Avoided Payment Amount**") to the Issuer on *[insert date]* in connection with a Preference declared or required to be recovered from the Bond Trustee or such Bondholder(s) pursuant to any Insolvency Law in accordance with a final non-appealable order of a court of competent jurisdiction;]
  - (c) the Bond Trustee is making a claim under the UK Guarantee for the [Shortfall/Avoided Payment Amount] to be applied to the payment of the Guaranteed Amounts which [are Due for Payment/were paid but found to be a Preference];

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<sup>1</sup> Or such other address or email address as the Guarantor may from time to time notify to the Beneficiary.

- (d) the Bond Trustee agrees that, following payment of funds by the Guarantor, it shall use reasonable endeavours to procure (i) that such amounts are applied directly to the payment of Guaranteed Amounts which [are Due for Payment/were paid but found to be a Preference]; (ii) that such funds are not applied for any other purpose; and (iii) the maintenance of an accurate record of such payments with respect to each Guaranteed Obligation and the corresponding claim on the UK Guarantee and the proceeds thereof (and, for the purposes of (i) and (ii) above, it shall be sufficient if the Bond Trustee directs the Guarantor to make payment to the Principal Paying Agent); and
  - (e) payment should be made by the Guarantor in [*insert currency*] by credit to an account in the name of [*insert name of Bond Trustee or Principal Paying Agent*] with [*insert name of bank*], of [*insert address of bank*], Sort Code [*insert sort code*] and Account Number [*insert account number*].
4. The Bond Trustee acknowledges that the UK Guarantee provides that, effective as of the date on which the Shortfall or the Avoided Payment Amount (as the case may be) is credited to such account, the Guarantor shall, to the extent of such payment, be fully and automatically subrogated pursuant to applicable law to all of the Bond Trustee's and the Bondholders' rights to payment of any amounts payable in respect of such Shortfall or Avoided Payment Amount (as the case may be) (including, without limitation, (i) any rights and benefits attached to, and any security conferred or granted by law, contract or otherwise in respect of, the Affected Guaranteed Obligations and (ii) any default interest on any of the Affected Guaranteed Obligations accrued pursuant to the Guaranteed Bonds after the date of payment by the Guarantor).
5. This Notice of Demand may be revoked by written notice by the Bond Trustee to the Guarantor at any time prior to the date specified in paragraph 3(b) above on which Guaranteed Amounts are Due for Payment to the extent that moneys are actually received in respect of the Guaranteed Obligations prior to such date from a source other than the Guarantor.
6. This Notice of Demand and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

**IN WITNESS WHEREOF** the Bond Trustee has executed and delivered this Notice of Demand on [*insert date*].

**[INSERT NAME OF BOND TRUSTEE]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes which, subject to amendment and completion, will be endorsed on each Certificate (if issued).*

The issue of the €285,000,000 0.750 per cent. Guaranteed Notes due 2019 (the “**Notes**”, which expression shall, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 (*Further Issues*) and forming a single series with the Notes) of INEOS Grangemouth plc (the “**Issuer**”) was authorised by a resolution of the Board of Directors of the Issuer passed on 25 July 2014.

The Notes are constituted by a trust deed dated on or about 30 July 2014 (the “**Issue Date**”) (as amended, supplemented, restated, novated or replaced from time to time, the “**Trust Deed**”) between the Issuer, the Lords Commissioners of Her Majesty’s Treasury (the “**UK Guarantor**”) and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the “**Noteholders**”). 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 Notes and Certificates referred to below.

The Notes are unconditionally and irrevocably guaranteed as to scheduled payments of principal and interest, pursuant to a deed of guarantee dated on or about the Issue Date issued by the UK Guarantor under the Guarantor’s UK Guarantee scheme (the “**UK Guarantee**”).

Payments in respect of the Notes will be made pursuant to an agency agreement dated on or about the Issue Date (as amended, supplemented, restated, novated or replaced from time to time, the “**Agency Agreement**”) entered into between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent, The Bank of New York Mellon (Luxembourg) S.A. as registrar and any transfer agent for the time being. The principal paying agent, the transfer agent, any other paying agent(s) appointed under the Agency Agreement and the registrar are referred to below respectively as the “**Principal Paying Agent**”, the “**Paying Agents**”, the “**Transfer Agent**” and the “**Registrar**” (which expressions shall include any additional or successor principal paying agent, paying agents, transfer agents and registrar appointed in accordance with the Agency Agreement). “**Agents**” means the Principal Paying Agent, the Paying Agents, the Registrar and the Transfer Agent. Copies of the Trust Deed, the Agency Agreement and the UK Guarantee are available for inspection by Noteholders during usual business hours and upon reasonable notice at the specified office of the Trustee (presently at 40th floor, One Canada Square, London E14 5AL) and at the specified office of each of the Agents.

The Noteholders shown in the records of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the UK Guarantee and are deemed to have notice of those provisions applicable to them of the Agency Agreement. If there is any conflict between these Conditions and the Trust Deed, the UK Guarantee and applicable provisions of the Agency Agreement, the Trust Deed, the UK Guarantee and applicable provisions of the Agency Agreement shall prevail.

## 1. FORM, DENOMINATION AND TITLE

### 1.1 Form and Denomination

The Notes are serially numbered and issued in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are intended to be issued under the new safekeeping structure and are represented by registered certificates (each a “**Certificate**”) and, save as provided in Condition 2.1 (*Transfer of Notes*), each Certificate shall represent the entire holding of Notes by the same holder.

“€” or “euro” denote the single currency of the Participating Member States, where “**Participating Member State**” means any member state of the European Communities that has the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union.

### 1.2 Title

Title to the Notes passes by registration in the register of Noteholders which the Issuer will procure to be kept by the Registrar at its principal office in accordance with the provisions of the Agency Agreement (the “**Register**”). References herein to “Noteholders” or “holders” are to the persons in whose names such Notes are registered in the Register (or, in the case of joint holders, the first name thereof). Subject as set out above, except as ordered by a court of competent jurisdiction or required by law, the registered holder of any Note shall be deemed to be and may be treated as the absolute owner of such Note for all purposes, whether or not such Note shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person shall be liable for so treating such registered holder and the expression “Noteholders” and “holders” shall be construed accordingly.

## 2. TRANSFER

### 2.1 Transfer of Notes

Notes may, upon the terms and subject to the conditions set forth in the Agency Agreement and to Condition 2.4 (*Exchange free of charge*) and Condition 2.5 (*Closed periods*), be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified above) upon the surrender of the Certificate representing such Notes, together with the form of transfer duly endorsed on such Certificate, at the specified office of the Registrar or any Transfer Agent, duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Principal Paying Agent (such approval not to be unreasonably withheld or delayed). A copy of the current regulations will be made available by the Registrar to any Noteholder upon

request. A Note may be registered only in the name of, and transferred only to, a named Person or Persons. No transfer of a Note will be valid unless and until entered on the Register.

## **2.2 Exercise of voluntary redemption**

In the case of a partial redemption of a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder in respect of the balance of the holding redeemed. A new Certificate shall only be issued against surrender of the Certificate representing the existing holding.

## **2.3 Delivery of new Certificates**

Each new Certificate to be issued pursuant to Conditions 2.1 (*Transfer of Notes*) or 2.2 (*Exercise of voluntary redemption*) will, within five business days of receipt by the Registrar or any Transfer Agent of the duly completed form of transfer and surrender of the Certificate for exchange at the specified office of the Registrar or any Transfer Agent, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. In this Condition 2.3, "business day" means a day, other than a Saturday or Sunday, on which banks are open for business (including dealing in foreign exchange and foreign currency deposits) in both London and the place of the specified office of the Registrar or Transfer Agent.

## **2.4 Exchange free of charge**

Exchange and transfer of Notes and Certificates on registration, transfer or partial redemption shall be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent, but subject to (i) the payment by the Person making the application for transfer of any tax, duties or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require), (ii) the Registrar being satisfied with the documents of title and/or identity of the Person making the application, and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar.

## **2.5 Closed periods**

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Conditions 5.2 (*Redemption for taxation reasons*) or 5.3 (*Redemption at the option of the Issuer (Issuer Call)*) or (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined below).

# **3. STATUS AND UK GUARANTEE**

## **3.1 The Notes**

The Notes constitute, subject to Condition 3.2 (*The UK Guarantee*) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among themselves and *pari passu* and rateably with all other outstanding, unsecured and unsubordinated obligations of the Issuer save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### 3.2 The UK Guarantee

The Notes have the benefit of the UK Guarantee pursuant to which the UK Guarantor has unconditionally and irrevocably agreed to pay to the Trustee (for the benefit of the Noteholders) all sums due and payable but unpaid by the Issuer in respect of Scheduled Principal and Scheduled Interest on the Notes.

“**Scheduled Interest**” means interest payable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders under the Notes as specified and calculated in accordance with Condition 4 (*Interest*) (as may be adjusted in accordance with these Conditions, but disregarding any default interest, indemnity payment or any prepayment or early redemption penalty) together with any gross-up amount payable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders in accordance with these Conditions.

“**Scheduled Principal**” means principal repayable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders under the Notes as specified in Condition 5 (*Redemption and Purchase*) (as may be adjusted in accordance with these Conditions, but disregarding any default interest, indemnity payment or any prepayment or early redemption penalty) together with any gross-up amount payable by the Issuer to the Noteholders or to the Trustee for the benefit of the Noteholders in accordance with these Conditions.

### 3.3 Subrogation of the UK Guarantor

The Trust Deed and the UK Guarantee provide that the UK Guarantor shall be subrogated to any right of the Trustee and the Noteholders against the Issuer in respect of amounts due in respect of the Notes which have been paid by the UK Guarantor under the UK Guarantee.

## 4. INTEREST

### 4.1 Interest Rate and Interest Payment Dates

Each Note bears interest on its outstanding principal amount from (and including) the Issue Date at the rate of 0.750 per cent. per annum, payable annually in arrear on 30 July of each year, the first payment to be made on 30 July 2015 (each an “**Interest Payment Date**”), subject as provided in Condition 6 (*Payments*). The first payment shall be in respect of the period from (and including) the Issue Date to (but excluding) 30 July 2015, and thereafter for each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date.

### 4.2 Interest Accrual

Each Note will cease to bear interest from (and including) its due date for redemption unless, upon due presentation, payment of the principal and/or any premium in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue on that principal amount (including any premium) of which has been so withheld or refused from and including the date of such withholding or refusal up to and including whichever is the earlier of:

- (i) the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest) in euro payable in respect of such Note is made; or

- (ii) the seventh day after notice is given to the relevant Noteholder (in accordance with Condition 18 (*Notices*) that the full amount (including interest) in euro payable in respect of such Note is available for payment, provided that, upon presentation thereof being duly made, such payment is made.

#### 4.3 Calculation of Interest

The amount of interest payable on each Interest Payment Date shall be €7.50 in respect of each Calculation Amount (as defined below). Where it is necessary to compute an amount of interest in respect of any Note on any other date, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or first) scheduled Interest Payment Date (the “**Day Count Fraction**”).

Interest shall be calculated per €1,000 in principal amount of the Notes (the “**Calculation Amount**”) by applying the rate of interest referred to in Condition 4.1 (*Interest Rate and Interest Payment Dates*) to such Calculation Amount, multiplying the resulting figure by the Day Count Fraction and rounding the resultant figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of a Note shall be calculated by multiplying the amount of interest per Calculation Amount determined as aforesaid by the specified denomination of such Note.

### 5. REDEMPTION AND PURCHASE

#### 5.1 Redemption

Unless previously redeemed in full or purchased and cancelled as provided below each Note shall be redeemed on 30 July 2019 at its principal amount.

#### 5.2 Redemption for taxation reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders in accordance with Condition 18 (*Notices*) if, immediately prior to the giving of such notice, the Issuer satisfies the Trustee that the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the UK or any political sub-division or any authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

The Issuer shall be deemed to have satisfied the Trustee as referred to in the preceding paragraph if prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall have delivered to the Trustee: (i) a certificate signed by two directors of the

Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 5.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5.2. Before giving any such notice of redemption, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have available the funds required to discharge the amount payable to Noteholders upon such redemption together with all other amounts payable in priority to or *pari passu* with the Notes.

Notes redeemed pursuant to this Condition 5.2 will be redeemed at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption.

### 5.3 Redemption at the option of the Issuer (Issuer Call)

The Issuer may, at any time, having given:

- (i) not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (which notice shall be irrevocable and shall bind the Issuer); and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Principal Paying Agent and the Trustee,

(which notices shall specify the date fixed for redemption), redeem all or some only of the Notes at the Make Whole Redemption Price together with interest accrued to (but excluding) the date fixed for redemption. Before giving any such notice of redemption, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have available the funds required to discharge the amount payable to Noteholders upon such redemption together with all other amounts payable in priority to or *pari passu* with the Notes. In the case of a partial redemption of the Notes, the Notes to be redeemed (the "**Redeemed Notes**") will be selected individually by lot not more than 30 days prior to the date fixed for redemption (the "**Selection Date**") and a list of the serial numbers of the Redeemed Notes will be published in accordance with Condition 18 (*Notices*) not less than 15 days prior to the date fixed for redemption.

In this Condition 5.3:

"**Make Whole Redemption Price**" means the greater of (i) 100 per cent. of the principal amount of the Notes; and (ii) the sum of the present values of the principal amount of the Notes to be redeemed and the remaining scheduled interest on the Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (based on the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin.

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee.

"**Redemption Date**" means any date fixed for redemption in accordance with this Condition 5.3.

**“Redemption Margin”** shall be 0.075 per cent.

**“Reference Bond”** shall be the Federal Government Bund of Bundesrepublik Deutschland due April 2019, with ISIN DE0001141695 (or where the Determination Agent advises the Issuer and the Trustee that, for reasons that such stock has matured, is illiquid or otherwise, such stock is not appropriate for such purpose, such other government stock as the Determination Agent may recommend).

**“Reference Bond Price”** means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

**“Reference Bond Rate”** means, with respect to any Redemption Date, the rate per annum equal to the annual yield to maturity of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Redemption Date.

**“Reference Date”** means the date set out in relevant notice of redemption.

**“Reference Government Bond Dealer”** means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

**“Reference Government Bond Dealer Quotations”** means, with respect to each Reference Government Bond Dealer and any Redemption Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 11.00 a.m. Central European Time (CET) on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer.

#### **5.4 No other redemption**

The Issuer shall not be entitled to redeem the Bonds in whole or in part otherwise than as provided in this Condition 5.

#### **5.5 Purchases**

The Issuer, and any of its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

**“Subsidiary”** means a company which is for the time being a subsidiary (within the meaning of Section 1159 of the Companies Act 2006)

#### **5.6 Cancellation**

All Notes which are redeemed or purchased by or on behalf of the Issuer or any of its Subsidiaries shall be surrendered for cancellation by surrendering each such Note to the Principal Paying Agent and each Certificate representing such Note to the Registrar and, if so

surrendered, shall be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and upon such cancellation the obligations of the Issuer in respect of any such Notes shall be discharged.

## **6. PAYMENTS**

### **6.1 Method of Payment**

Payments of principal (including any premium) and interest shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**") subject, in the case of payments of principal, to the surrender of the relevant Certificate to the specified office of the Registrar. Payments of interest and principal on each Note shall be made by euro cheque drawn on a Bank and mailed by uninsured mail to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register on the Record Date. Upon application by the holder to the specified office of the Registrar before the Record Date, such payment of interest or principal may be made by transfer to an account in euro maintained by the payee with a Bank in a city in which banks have access to the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto (the "**TARGET System**").

### **6.2 Payments subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) No commissions or expenses shall be charged to the Noteholders in respect of such payments. For the purposes of the preceding sentence, the phrase "fiscal or other laws, regulations and directives" shall include any obligation of the Issuer to withhold or deduct from a payment pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations thereunder or official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### **6.3 Appointment of Agents**

The Principal Paying Agent is initially appointed by the Issuer and its specified office is listed below. Subject as provided in the Agency Agreement, the Principal Paying Agent, and the Paying Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent or any other Paying Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Paying Agent having a specified office in a European Union Member State that will not be obliged to withhold or deduct tax whether pursuant to EC Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, any such directive, any agreement between the European Union and any jurisdiction providing for equivalent measures (so long as there is such a Member State), (iii) a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or regulated authority so long as the

Notes are listed on such stock exchange or admitted to listing by such other relevant authority, and (iv) a Paying Agent having its specified office in a European City.

#### 6.4 Non-Business Days

If any date for payment in respect of any Note is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In these Conditions, "**Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business:

- (i) (in the case of this Condition 6) in the place where such Note is presented for payment; or
- (ii) in any other case, a day on which the TARGET System is open.

#### 7. PARTIAL PAYMENTS

If any partial payment is made in respect of any Certificate, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and date of such partial payment is endorsed on the relevant Certificate.

#### 8. TAXATION

All payments of principal (including any premium) and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK, or any political sub-division or any authority thereof or therein having the power to tax, unless such withholding or deduction is required by law or regulation. In that event, the Issuer shall pay, or procure to be paid on its behalf, such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required by law to be made ("**Additional Amounts**"), except that no such Additional Amounts shall be payable with respect to any Note:

- (A) Other connection

presented for payment by or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the UK other than the mere holding of the Note; or

- (B) Lawful avoidance of withholding

presented for payment by or on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any person who is associated or connected with the holder for the purposes of any tax complies with any statutory requirements or by making or procuring that any such person makes a declaration of non residence or other similar claim for exemption to any tax authority in the place where the relevant Note is presented for payment; or

## (C) Presentation more than 30 days after the Relevant Date

presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of such Note would have been entitled to such additional amounts on presenting such Note for payment on the last day of such period of 30 days; or

## (D) Payment to individuals

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to EC Council Directive 2003/48/EC on the taxation of savings income or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, any such directive or any agreement between the European Union and any jurisdiction providing for equivalent measures; or

## (E) Payment by another Paying Agent

presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union (provided that there is such a Paying Agent appointed at the relevant time).

As used in these Conditions, "**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (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 seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the UK, references in these Conditions to the UK shall be construed as references to the UK and/or such other jurisdiction.

## 9. PRESCRIPTION

### 9.1 General

After the date on which a Note becomes void in its entirety, no claim may be made in respect of it.

### 9.2 Principal and Interest

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

## 10. EVENTS OF DEFAULT

If any one or more of the following events (each an “**Event of Default**”) shall occur:

- (i) a UK Guarantor Non-Payment Event; or
- (ii) a UK Guarantee Illegality Event,

then the Trustee may at its discretion and shall, if so requested in writing by the holders of at least 25 per cent. in aggregate of the nominal amount outstanding of the Notes or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) (in each case, subject to being indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the Trust Deed) give notice (an “**Acceleration Notice**”) to the Issuer in writing declaring the Notes to be immediately due and payable, in which event all Notes then outstanding shall become immediately due and payable at their principal amount together with accrued interest.

In no circumstances shall the UK Guarantor be able to direct the Trustee to give or to refrain from giving an Acceleration Notice.

For the purposes of these Conditions:

“**UK Guarantor Non-Payment Event**” means the Nonpayment (as defined under the UK Guarantee) by the Issuer of any Guaranteed Amount on the Due Date (each as defined under the UK Guarantee) and such Guaranteed Amount is not paid by the UK Guarantor on the date stipulated in the UK Guarantee.

“**UK Guarantee Illegality Event**” means (a) the UK Guarantor disclaiming, disaffirming, repudiating and/or challenging the validity of any of its obligations under the UK Guarantee or seeking to do so or (b) the UK Guarantor obtaining final, non-appealable and unconditional discharge of its obligations under the UK Guarantee resulting in the UK Guarantee ceasing to be in full force and effect.

## 11. ACTION BY NOTEHOLDERS

No Noteholder shall be entitled to (i) take steps or action against the Issuer or the UK Guarantor to enforce the performance of these presents or the UK Guarantee or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, unless, in each case, the Trustee having become bound as aforesaid to take any such action, steps or proceedings fails to do so within a reasonable period and such failure is continuing, and provided further that, at no time prior to the occurrence of an Event of Default, shall any Noteholder be permitted to take any Enforcement Action (as defined in the Trust Deed) without the prior written consent of the UK Guarantor.

## 12. INSTRUCTION BY THE UK GUARANTOR, MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

### 12.1 Instruction by the UK Guarantor

The Trust Deed contains provisions requiring the Trustee, so long as no Event of Default has occurred, to exercise all the powers, trusts, authorities and discretions vested in it by the Trust

Deed only as directed in writing by the UK Guarantor and no Noteholder shall have any claim against the Trustee for so doing, provided that the UK Guarantor shall (i) not be entitled to give requests or directions to the Trustee to the extent that such request, direction or, as the case may be, vote relates to a Basic Terms Modification (as defined below), any Trustee Excluded Right (as defined in the Trust Deed) or the giving of an Acceleration Notice pursuant to Condition 10 (*Events of Default*); and (ii) have no power to request, instruct or direct the Trustee at any time after an Event of Default has occurred.

## 12.2 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of business which includes any Basic Terms Modification, in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed), provided that, prior to the occurrence of an Event of Default, no Extraordinary Resolution shall be effective for any purpose unless it shall have been agreed to in writing by the UK Guarantor.

A resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding shall constitute an Extraordinary Resolution. Consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding shall constitute an Extraordinary Resolution.

“**Basic Terms Modification**” means any proposal to:

- (i) reduce or cancel the amount payable or, where applicable, modify, except where such modification is in the opinion of the Trustee bound to result in an increase, the method of calculating the amount payable or modify the date of payment in respect of any principal or interest in respect of the Notes;
- (ii) alter the currency in which payments under the Notes are to be made;
- (iii) alter the majority required to pass an Extraordinary Resolution;
- (iv) sanction any such scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock,

notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

- (v) approve the substitution of any entity for the Issuer and/or the UK Guarantor (or any previous substitute) as principal debtor and/or guarantor, as the case may be, under the Trust Deed or the UK Guarantee;
- (vi) alter the proviso to paragraph 7 of Schedule 3 to the Trust Deed or the proviso to paragraph 9 of Schedule 3 to the Trust Deed;
- (vii) change, amend or modify the terms of the UK Guarantee;
- (viii) change, amend or modify the definition of Event of Default in the Conditions;
- (ix) change, amend or modify this definition or the use of thereof in the Trust Deed or the Conditions.

### **12.3 Modification of the Trust Deed or the Agency Agreement**

The Trustee may, without the consent of the Noteholders:

- (i) agree to any modification of any of these Conditions, the provisions of the Trust Deed or the Agency Agreement or the UK Guarantee which, in the opinion of the Trustee, it may be proper to make provided that:
  - (a) such a modification is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders; or
  - (b) in the opinion of the Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven;

provided further that so long as no Event of Default has occurred, the UK Guarantor has provided its prior written consent to such modification;

- (ii) waive or authorise any breach or proposed breach by the Issuer of any of these Conditions or any of the covenants or provisions contained in the Trust Deed or the Agency Agreement provided that in the opinion of the Trustee it would not be materially prejudicial to the interests of the Noteholders to do so, provided that such a waiver or authorisation shall not be exercised (a) in contravention of an express direction given by an Extraordinary Resolution or a request under Condition 11 (*Enforcement*) but so that, in either such case, no such direction or request shall affect any waiver or authorisation previously made; and (b) if no Event of Default has occurred, without first obtaining the consent of the UK Guarantor; or
- (iii) determine that any Event of Default or Potential Event of Default shall not be treated as such provided that in the opinion of the Trustee it would not be materially prejudicial to the interest of the Noteholders to do so, provided that such a determination shall not be exercised in contravention of an express direction given by an Extraordinary Resolution

or by a request under Condition 11 (*Enforcement*) but so that no such direction or request shall affect any determination previously made.

Any such modification, authorisation, waiver or determination shall be binding on the Noteholders and, unless the Trustee agrees otherwise, such modification shall be notified to the Noteholders as soon as practicable thereafter.

#### 12.4 Substitution

The Trustee may agree with the Issuer and the UK Guarantor, without the consent of the Noteholders, to the substitution of any person or persons (the “**Substitute Obligor**”) in place of the Issuer (or any previous Substitute Obligor under this Condition) as a new principal debtor under the Trust Deed and the Notes provided that:

- (i) a trust deed is executed or some other form of undertaking is given by the Substitute Obligor in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Deed and the Notes, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substitute Obligor had been named in the Trust Deed and on the Notes, as the principal debtor in place of the Issuer (or of any previous Substitute Obligor, as the case may be);
- (ii) the UK Guarantor agrees unconditionally and irrevocably to guarantee all amounts payable under these Conditions and the Trust Deed *mutatis mutandis* on the terms of the UK Guarantee to the satisfaction of the Trustee;
- (iii) the Issuer and the Substitute Obligor shall comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (iv) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (v), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and
- (v) if two Directors of the Substitute Obligor (or other officers acceptable to the Trustee) shall certify that the Substitute Obligor is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the Substitute Obligor or to compare the same with those of the Issuer or the previous substitute under this Clause as applicable.

Any such substitution shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders in accordance with Condition 18 (*Notices*) within 14 days of such substitution taking effect.

#### 13. ENTITLEMENT OF THE TRUSTEE

In connection with any exercise of its functions (including but not limited to those referred to in Condition 12 (*Instruction by the UK Guarantor, Meetings of Noteholders, Modification, Waiver and Substitution*), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, the Trustee shall not have regard to the consequences of

such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise as aforesaid, no Noteholder shall be entitled to claim, whether from the Issuer, the UK Guarantor or the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or any such exercise upon any individual Noteholders except to the extent already provided in Condition 8 (*Taxation*) and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

#### **14. INDEMNIFICATION OF THE TRUSTEE**

The Trust Deed contains provisions for the provision of indemnification, security and prefunding to the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified, secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the UK Guarantor and any entity related to the Issuer and/or the UK Guarantor without accounting for any profit.

#### **15. REPLACEMENT OF NOTES AND CERTIFICATES**

If a Note or Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Transfer Agent as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders or the Registrar in the case of Certificates, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note or Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes or Certificates) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Certificates must be surrendered before replacements will be issued.

#### **16. AGENTS**

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar and Transfer Agent. Notice of any change in the Principal Paying Agent, any other Paying Agent, the Registrar and Transfer Agent or in their specified offices should be given by the Issuer to the Noteholders in accordance with Condition 18 (*Notices*).

#### **17. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders (but, prior to the occurrence of an Event of Default, with the prior written consent of the UK Guarantor) create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such

further issue shall be consolidated and form a single series with the outstanding Notes or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the Notes constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

## **18. NOTICES**

18.1 Notices to Noteholders will be deemed to be validly given if sent by first class mail (or equivalent) by air mail to them (or, in the case of joint holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

18.2 For so long as any of the Notes are represented by the global registered note certificate (the "**Global Certificate**") and such Global Certificate is registered in the name of a common nominee for Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream Luxembourg (as the case may be) for communication to the relevant accountholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg shall be deemed to have been given to Noteholders on the date on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be).

18.3 The Trustee may approve any other method of giving notice to Noteholders which is, in its opinion, reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed.

## **19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## **20. GOVERNING LAW**

The Trust Deed, the Notes and the UK Guarantee and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes are governed by, and shall be construed in accordance with, English law.

## **21. SUBMISSION TO JURISDICTION**

Each of the Issuer and the UK Guarantor irrevocably agrees for the benefit of the Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with these presents (including a dispute relating to any non-contractual obligations arising out of or in connection with these presents) and accordingly submits to the exclusive jurisdiction of the English Courts. Each of the Issuer and the UK Guarantor waives any objection to the courts of England on the grounds that they are an

inconvenient of inappropriate forum. The Trustee and the Noteholders may take any suit, action or proceedings arising out of or in connection with these presents (including any suit, action or proceedings relating to any non-contractual obligations arising out of these presents) (together referred to as “**Proceedings**”) against each of the Issuer and the UK Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Issue of Notes**

The Notes will be represented on issue by the Global Certificate, which will be deposited on or before the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of the common safekeeper. While the Global Certificate is intended to be eligible collateral for Eurosystem monetary policy, depositing the Global Certificate with the common safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Upon delivery of the Global Certificate to the common safekeeper, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Any payment due in respect of the Global Certificate will be made to each of Euroclear, Clearstream, Luxembourg or an alternative clearing system in respect of the portion of the Global Certificate held for its account.

Except in the limited circumstances described below, owners of interests in the Global Certificate will not be entitled to receive physical delivery of Certificates.

### **The Global Certificate**

By acquisition of a beneficial interest in the Global Certificate, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person and is not purchasing for the account or benefit of a U.S. Person and that it will not offer, sell, pledge or otherwise transfer such interest except to a person whom the seller reasonably believes to be a non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the underlying Notes, in respect of each amount so paid.

### **Exchange for Certificates**

These provisions apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg. They will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system to the following:

(i) Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or has in fact done so;

(ii) with the consent of the Issuer;

provided that, in the case of the first transfer of part of a holding pursuant to (i) above, the registered holder has given the Registrar or any Transfer Agent not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer. Where the holding of Notes represented by a Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg or Euroclear.

### **Delivery of Notes**

In exchange for any Global Certificate, or the part thereof to be exchanged, the Issuer will in the case of a Global Certificate exchangeable for Certificates, promptly deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Certificates. Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed.

### **Amendments to Conditions**

The Global Certificate will contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Information Memorandum. The following is a summary of those provisions:

### **Payments**

The Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Certificate will be reduced accordingly. Payments will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

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

### **Meetings**

The holder of the Notes represented by the Global Certificate shall (unless such permanent Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the

Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

**Issuer's Options**

In the event that any option of the Issuer is exercised in respect of some but not all of the Notes, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

**Trustee's Powers**

In considering the interests of Noteholders while Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Certificate.

**Notices**

So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Certificate.

## TAXATION

### United Kingdom

The following, which applies only to persons who are the absolute beneficial owners of the Notes, is a summary of the Issuer's understanding of current law and published practice in the United Kingdom as at the date of this Information Memorandum relating to certain aspects of the United Kingdom taxation of the Notes. Special rules may apply to certain classes of taxpayer (such as dealers). Prospective Noteholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

#### *Payment of interest on the Notes*

Provided that the Notes are and remain listed on a recognised stock exchange, as defined in section 1005 of the Income Tax Act 2007, interest on the Notes will be payable without withholding or deduction on account of UK tax. The Irish Stock Exchange is such a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Irish Stock Exchange.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid to a Noteholder who is and, at the time the payment is made, whom the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) is either a company resident in the United Kingdom for tax purposes or a non UK resident company carrying on a trade in the United Kingdom through a permanent establishment where the payment falls to be brought into account in computing the chargeable profits of the non resident company, or within various specified categories enjoying a special tax status; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that none of the conditions specified in sections 933 to 937 of the Income Tax Act 2007 will be satisfied in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

If neither of the above circumstances apply, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20%), subject to any direction to the contrary by HMRC under an applicable double taxation treaty.

The Issuer understands that it is not clear whether, as a matter of current United Kingdom law, payments under the UK Guarantee would be subject to any deduction of or withholding on account of United Kingdom income tax. Any such deduction or withholding would be subject to such relief as might be available under the provisions of any applicable double taxation treaty or any other relief that might apply.

#### *Information reporting*

HMRC have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to

whom the payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HMRC may be provided to tax authorities in other countries.

*Further United Kingdom Income Tax Issues for Non United Kingdom Resident Noteholders*

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source and received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

**Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

No United Kingdom stamp duty or SDRT is payable on the Issuance or on the transfer by delivery of the Notes.

**EU Savings Directive**

Under EC Council Directive 2003/48/EC (the “**Directive**”) on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of certain payments of interest or similar income paid by a person within its jurisdiction to an individual resident in that other Member State or certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or legal arrangement is established or effectively managed outside the European Union.

However, for a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. On 10 April 2013, the Luxembourg

Ministry of Finance announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

## SUBSCRIPTION AND SALE

### Summary of Subscription Agreement

Subject to the terms and on the conditions contained in a Subscription Agreement dated 28 July 2014 (the "**Subscription Agreement**"), between the Issuer, the Joint Bookrunners and the Arranger, all of the Notes will be offered to the Joint Bookrunners. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer.

The Issuer has agreed to pay the commissions as agreed between itself and the relevant Joint Bookrunners in respect of the Issuance on a syndicated basis or otherwise. Such commissions (if any) will be stated in the subscription agreement.

The Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes. The Subscription Agreement entitles each of the Joint Bookrunners to terminate any agreement that it makes to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### General

These selling restrictions may be modified by the agreement of the Issuer and the Joint Bookrunners following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Information Memorandum.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum (in preliminary, proof, or final form) or any amendment or supplement thereto or any other offering or publicity material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands the Information Memorandum comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Each Dealer has agreed that it will comply to the best of its knowledge and belief (having made reasonable enquiries) with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Information Memorandum or any other offering material or advertisement in connection with the Notes.

#### United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the *Securities Act*), and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in accordance with Regulation S under the Securities Act (*Regulation S*) or pursuant to an exemption from the registration requirements of the Securities Act. The Arranger represents that it has offered and sold the Notes, and agrees

that it will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, only in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. The Arranger agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933, as amended (the *Securities Act*), and may not be offered and sold within the United States or to, or for the account or benefit of, US persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

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

For the purposes of this paragraph, “affiliate” has the meaning given to it in Rule 501(b) of Regulation D under the Securities Act.

In addition:

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

Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder, including the D Rules.

### **United Kingdom**

Each of the Joint Bookrunners has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## TRANSFER RESTRICTIONS

Each purchaser of Notes, by accepting delivery of this Information Memorandum and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It is, or at the time the Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a US Person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (2) It understands that the Notes have not been and will not be registered under the Securities Act and, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except to a non-US person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that before any interest in the Notes may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
- (4) It understands and acknowledges that its purchase and holding of such Notes and any interest therein constitutes a representation and agreement by it that at the time of its purchase and throughout the period it holds such Notes or any interest therein (a) it is not and is not acting on behalf of (i) an "employee benefit plan" as described in Section 3(3) of ERISA, subject to the provisions of Title I of ERISA, (ii) a "plan" described in Section 4975(e)(1) of the Code, to which Section 4975 of the Code applies, or (iii) any entity whose underlying assets include, or are deemed to include, plan assets by reason of such employee benefit plan's or plan's investment in the entity (any of the foregoing, a "Benefit Plan Investor") and (b) it will not sell or otherwise transfer any such Note or interest therein to any person without first obtaining these same foregoing representations and warranties from that person.
- (5) It acknowledges that the Issuer, the Registrar, the Joint Bookrunners and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agree that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Notes is no longer accurate, it shall promptly notify the Issuer and the Joint Bookrunners. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.

**GENERAL INFORMATION**

- (i) It is expected that the Notes will be admitted to the Official List and to trading on the GEM upon application to the Irish Stock Exchange, subject only to the issue of a Global Certificate (or one or more Certificates) initially representing the Notes.
- (ii) The expenses in relation to the admission of the Notes to trading on the GEM will be approximately €5,041.20.
- (iii) The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the Issuance. The Issuance was authorised by resolutions of the board of directors of the Issuer passed on 25 July 2014.
- (iv) The Issuer prepares and publishes annual audited accounts, the latest copies of which will be available for inspection at the specified offices of the Registrar, during normal business hours, for as long as any of the Notes is outstanding. There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since 31 December 2013 (being the date of its most recent audited accounts).
- (v) The auditors of the Issuer are PricewaterhouseCoopers LLP, a member of the Institute of Chartered Accountants in England and Wales, who have audited the consolidated financial statements of the Issuer, without qualification, in accordance with UK GAAP, for the financial year ended 31 December 2013.
- (vi) The Issuer is not, nor has it, been involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on the Issuer's financial position or profitability nor is the Issuer aware that any such proceedings are pending or threatened.
- (vii) So far as the Issuer is aware and/or is able to ascertain from information published, the UK Guarantor is not, nor has it, been involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on the UK Guarantor's financial position nor is the Issuer aware that any such proceedings are pending or threatened.
- (viii) Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with a Common Code of 108827831 and an ISIN Code of XS1088278319.
- (ix) From the date of this Information Memorandum and for so long as any Notes remain outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of the Principal Paying Agent:
  - (a) the constitutional documents of the Issuer;
  - (b) the Trust Deed;
  - (c) the Agency Agreement;

- (d) the UK Guarantee;
  - (e) the Guarantee and Reimbursement Agreement; and
  - (f) a copy of this Information Memorandum together with any supplement to it.
- (x) The structure of the transaction and, *inter alia*, the Issuance and ratings assigned to the Notes are based on law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law, tax and administrative practice. No assurance can be given that there will not be any change to such law, tax or administrative practice after the date of this document which change might impact on the Notes and the expected payments of interest and repayment of principal.
- (xi) The Issuer does not intend to provide any post-issuance information in relation to this issue of Notes, except as provided by paragraph (iv) above.
- (xii) The Joint Bookrunners, the Arranger and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may provide services to the Issuer and its affiliates in the ordinary course of business.

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