

TERMS AND CONDITIONS OF THE BONDS

The issue of the €200,000,000 0.875 per cent. Convertible Bonds due 2021 (the "**Bonds**", which expression shall, unless otherwise indicated, include any Further Bonds (as defined below)), having as underlying ordinary shares of Beni Stabili S.p.A. SIQ (the "**Original Issuer**"), was (save in respect of any Further Bonds) authorised by a resolution (determine) of the Managing Director of the Original Issuer dated 23 July 2015 pursuant to the powers delegated to the Managing Director by a resolution of the Board of Directors of the Original Issuer dated 21 July 2015. The assumption of the Original Issuer's obligations under the Bonds by Covivio, S.A. (the "**Issuer**") will take place by virtue of the merger of the Original Issuer into the Issuer, expected to be effective at 11:59 pm on 31 December 2018 (the "**Merger**"). The Original Issuer entered into a Paying, Transfer and Conversion Agency Agreement dated 3 August 2015 (the "**Original Agency Agreement**") relating to the Bonds with BNP Paribas Securities Services, Luxembourg Branch (the "**Principal Paying, Transfer and Conversion Agent**", which expression shall include any successor as Principal Paying, Transfer and Conversion Agent under the Agency Agreement), the Paying, Transfer and Conversion Agents for the time being (such persons, together with the Principal Paying, Transfer and Conversion Agent, being referred to below as the "**Paying, Transfer and Conversion Agents**", which expression shall include their successors as Paying, Transfer and Conversion Agents under the Agency Agreement) and BNP Paribas Securities Services, Luxembourg Branch in its capacity as registrar (the "**Registrar**", which expression shall include any successor as registrar under the Agency Agreement). The Agency Agreement includes the form of the Bonds. The Original Issuer also entered into a Calculation Agency Agreement dated 3 August 2015 with Conv-Ex Advisors Limited (the "**Calculation Agent**" which expression shall include any successor as calculation agent under the Calculation Agency Agreement) whereby the Calculation Agent has been appointed to make certain calculations in relation to the Bonds. The holders of the Bonds (the "**Bondholders**") are deemed to have notice of all of the provisions of the Agency Agreement and the Calculation Agency Agreement applicable to them. The Issuer will assume the obligations of the Original Issuer under the Agency Agreement and the Calculation Agency Agreement by virtue of the Merger and pursuant to a supplemental paying, transfer and conversion agency agreement (the "**Supplemental Agency Agreement**") dated on or about 20 December 2018. The Original Agency Agreement as supplemented by the Supplemental Agency Agreement is referred to herein as the "**Agency Agreement**".

Copies of the Agency Agreement, the Supplemental Agency Agreement and the Calculation Agency Agreement are available for inspection at the specified offices of the Paying, Transfer and Conversion Agents and the Registrar.

Each Bond will, subject as set out in these Terms and Conditions (the "**Conditions**"), entitle the holder to convert such Bond into Ordinary Shares (as defined below) subject to the Issuer's right to make a Cash Alternative Election, in each case in accordance with, and as described in, Condition 6.

1 Form, Denomination, Title and Status

(a) Form and Denomination

The Bonds are in registered form in principal amounts of €100,000 each (the "**Authorised Denomination**").

(b) *Title*

Title to the Bonds will pass by transfer and registration as described in Condition 4. The holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as applicable) or

anything written on it or the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the holder.

(c) *Status*

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer ranking *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are both mandatory and of general application.

2 Negative Pledge

So long as any of the Bonds remain outstanding (as defined in the Agency Agreement), the Issuer will not, and will procure that none of its Material Subsidiaries (as defined below) will, create any mortgage, charge, lien, pledge or other form of encumbrance or security interest (each, a "**Security Interest**"), other than a Permitted Encumbrance, upon, or with respect to, the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, unless the Issuer shall, prior thereto or at the same time, take any and all action necessary to ensure that:

- (a) all amounts payable by the Issuer under the Bonds are secured equally and rateably with such Relevant Indebtedness or guarantee or indemnity in respect of Relevant Indebtedness, as the case may be; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided in favour of the Bondholders in respect of all amounts payable by the Issuer under the Bonds as shall be approved by an Extraordinary Resolution of the Bondholders.

3 Definitions

In these Conditions, unless otherwise provided:

"**Additional Cash Alternative Amount**" has the meaning provided in Condition 6(l).

"**Additional Cash Redemption Amount**" has the meaning provided in Condition 6(c).

"**Additional Ordinary Shares**" has the meaning provided in Condition 6(c).

"**Additional Delivery Date**" has the meaning provided in Condition 6(h).

"Assumption Date" means that date that the Original Issuer merges into the Issuer, being 31 December 2018 (11:59 pm).

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

"business day" means (save in relation to Condition 8(f)), in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

"Cash Alternative Amount" means an amount in euro calculated by the Calculation Agent in accordance with the following formula and which shall be payable by the Issuer to a Bondholder in respect of the relevant Cash Settled Shares:

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

where:

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

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

"Cash Alternative Calculation Period" means, in respect of the exercise of Conversion Rights by a holder, a period of 20 consecutive dealing days commencing on the third dealing day following the Cash Election Date.

"Cash Alternative Election" has the meaning provided in Condition 6(l).

"Cash Alternative Election Notice" has the meaning provided in Condition 6(l).

"Cash Election Date" has the meaning provided in Condition 6(l).

"Cash Settled Shares" means, in respect of the exercise of Conversion Rights by a holder, such number of Ordinary Shares (which shall be a whole number of Ordinary Shares and shall not exceed the number of Reference Shares in respect of such exercise) as determined by the Issuer and notified to the relevant holder in the relevant Cash Alternative Election Notice in accordance with Condition 6(l).

a **"Change of Control"** shall occur if (a) an offer is made to all (or as nearly as may be practicable all) Shareholders or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate of the offeror to acquire all or a majority of the Ordinary Shares and the offeror acquires control of the Issuer (other than as a result of an Exempt Newco Scheme) and where "control" means the acquisition or holding or legal or beneficial ownership or control of more than 50 per cent. of the Voting Rights of the Issuer, and "controlled" shall be construed accordingly; or (b) at any time the Free Float of the Issuer falls below 15 per cent. of the issued outstanding Ordinary Shares and does not revert to, and remain, at least 15 per cent. of the issued outstanding Ordinary Shares of the Issuer within 90 calendar days of the first date on which it falls below such 15 per cent. threshold.

"Change of Control Notice" has the meaning provided in Condition 6(g).

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

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

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

"Closing Date" means 3 August 2015.

"Conversion Date" has the meaning provided in Condition 6(h).

"Conversion Notice" has the meaning provided in Condition 6(h),

"Conversion Period" has the meaning provided in Condition 6(a).

"Conversion Price" has the meaning provided in Condition 6(a).

"Conversion Right" has the meaning provided in Condition 6(a).

"Current Market Price" means, in respect of an Ordinary Share at a particular date, the volume-weighted average of the daily Volume Weighted Average Price of an Ordinary Share on each of the three consecutive dealing days (such average being volume-weighted by the VWAP Volume on each of such three consecutive dealing days) ending on the dealing day immediately preceding such date as determined by the Calculation Agent; provided that if at any time during the said three-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (a) if the Ordinary Shares to be issued or transferred and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such

case, determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made on account of any associated tax credit; or

- (b) if the Ordinary Shares to be issued or transferred and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such case, determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made on account of any associated tax credit,

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

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

"Delivery Date" has the meaning provided in Condition 6(h).

"De-merger" means any de-merger (*scission*) of the Issuer in accordance with Article L. 236-1, paragraph 2 of the French Commercial Code.

"Dividend" means any dividend or distribution to Shareholders (including, subject as provided below, a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account (and any such dividend or distribution as aforesaid which is not payable out of profits or retained earnings shall be a **"Special Dividend"**, which shall also include any Dividend determined to be a Special Dividend pursuant to paragraph (a) below), and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as (x) (where such Dividend in cash, or, as the case may be, payment of cash, in each case as aforesaid, constitutes a Special Dividend) a Special Dividend or (y) (in any other case) an Ordinary Cash Dividend, in each case in an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets, in any such case as at the Effective Date relating to such Dividend or, as

the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued or delivered is determined;

- (b) any issue of Ordinary Shares falling within Condition 6(b)(ii) shall be disregarded; and
- (c) a dividend or distribution that is a Spin-Off shall be deemed to be a Capital Distribution paid or made by the Issuer.

"Effective Date relating to such Dividend or entitlement" means (for the purposes of the definitions of **"Current Market Price"** and **"Dividend"**) the first date on which the Ordinary Shares are traded ex-the relevant Dividend or entitlement on the Relevant Stock Exchange.

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

"Euronext Paris" means the regulated market operated by Euronext Paris S.A.

"Exempt Newco Scheme" means a Newco Scheme where, immediately after completion of the relevant Scheme of Arrangement, the ordinary shares of Newco are (1) admitted to trading on the Relevant Stock Exchange or (2) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market in the European Union as the Issuer or Newco may determine.

"Extraordinary Dividend" has the meaning provided in Condition 6(b)(iii)(B).

"Extraordinary Resolution" has the meaning provided in Condition 14(a).

"Fair Market Value" means, with respect to any property on any date: (i) in the case of an Ordinary Cash Dividend or a Dividend determined to be Special Dividend pursuant to paragraph (a) of the definition of **"Dividend"**, the amount of such Ordinary Cash Dividend or, as the case may be, Special Dividend ; (ii) in the case of any other cash amount, the amount of such cash; (iii) in the case of Securities, Spin-Off Securities, options, warrants or other rights which are publicly-traded in a market of adequate liquidity (as determined by the Calculation Agent), the Fair Market Value (a) of Ordinary Shares or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of Securities (other than Ordinary Shares or Spin-Off Securities), such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such securities, options, warrants or other rights, in the case of both (a) and (b) during the period of three dealing days on the relevant market commencing on such date (or, if later, the first such dealing day such Securities, Spin-Off Securities, options, warrants or other rights are publicly-traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly-traded as determined by the Calculation Agent; (iv) in the case of Securities, Spin-Off Securities, options, warrants or other rights which are not publicly-traded (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (i) above, be translated into the Relevant Currency (if declared or paid or payable in a

currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Ordinary Cash Dividend or, as the case may be, Special Dividend in the Relevant Currency; and in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date all as determined by the Calculation Agent. In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined by the Calculation Agent on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

"Final Maturity Date" means 31 January 2021.

"Free Float" means all issued and outstanding Ordinary Shares less the aggregate of those Ordinary Shares held by any person (or persons who have entered into shareholders' agreements or lock-up agreements concerning the Ordinary Shares with a duration of more than six months) holding more than 2 per cent. of the issued and outstanding Ordinary Shares (other than, in each case, Ordinary Shares held by any collective investment undertakings, pension funds and social security institutions).

"Further Bonds" means any further Bonds issued pursuant to Condition 16 and consolidated and forming a single series with the then outstanding Bonds.

"Group" means the Issuer and its Subsidiaries taken as a whole.

"Independent Financial Adviser" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise, which may (without limitation) be the Calculation Agent, appointed by the Issuer at its own expense.

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

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

"Material Subsidiary" means at any time a Subsidiary of the Issuer:

- (a) whose total assets (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated assets) at any relevant time represent no less than 10 per cent. of the total consolidated assets of the Group, as calculated by reference to the then latest consolidated audited accounts or consolidated six-month or quarterly reports of the Issuer and the latest accounts or six-month or quarterly reports of each relevant Subsidiary as restated in accordance with principles of International Accounting Standard; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary, provided that, as a result of such transfer, the relevant Subsidiary assets shall represent at least 10 per cent. of the total

consolidated assets of the Issuer and its Subsidiaries, as calculated pursuant to paragraph (a) above.

A certificate from two Directors of the Issuer that, in their opinion, a Subsidiary of the Issuer is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Bondholders.

"Merger Confirmation Opinion" has the meaning provided in Condition 7(f).

"Merger Confirmation Opinion Deadline" has the meaning provided in Condition 7(f).

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

"Opening Price" means, in respect of an Ordinary Share, on any dealing day, the opening price of an Ordinary Share published by or derived from Bloomberg page HP (setting 'Open Price' or any other successor setting and using values not adjusted for any event occurring after such dealing day and for the avoidance of doubt all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Ordinary Share in respect of the Relevant Stock Exchange (and for the avoidance of doubt, such Bloomberg page being, in the case of an Ordinary Share as at the Assumption Date, COV FP Equity HP), if any or, in any such case, such other source as shall be determined to be appropriate by the Calculation Agent on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Opening Price of an Ordinary Share in respect of such dealing day shall be the Opening Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined all as calculated by the Calculation Agent or, if such price cannot be calculated as aforesaid, determined by an Independent Financial Adviser in such manner as it may consider appropriate.

"Option Scheme" has the meaning provided in Condition 6(e).

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

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

"Ordinary Shares" means fully paid ordinary shares in the capital of the Issuer currently with a par value of €3.00 each.

"Original Issuer Change of Control Period" has the meaning provided in Condition 6(a).

"Original Issuer Change of Control Put Date" has the meaning provided in Condition 7(f).

"Original Issuer Change of Control Put Exercise Notice" has the meaning provided in Condition 7(f).

"Original Issuer Change of Control Put Exercise Period" has the meaning provided in Condition 7(f).

"Permitted Encumbrance" means:

- (a) any Security Interest arising by operation of law in the ordinary course of business;
- (b) any Security Interest in existence in respect of any asset or property of the Issuer or any of its Subsidiaries on the Assumption Date;
- (c) in the case of any entity which becomes a Subsidiary of any member of the Group after the Assumption Date, any Security Interest securing Relevant Indebtedness existing over its assets at the time it becomes such a Subsidiary provided that the Security Interest was not created in contemplation of, or in connection with, such entity becoming a Subsidiary and the amounts secured have not been increased in contemplation of or in connection with such entity becoming a Subsidiary; and
- (d) any Security Interest created in substitution of any Security Interest permitted under paragraphs (a) to (c) above over the same or substituted assets provided that (1) the principal amount secured by the substitute Security Interest does not exceed the principal amount outstanding and secured by the initial Security Interest, (2) in the case of substituted assets, the market value of the substituted assets as at the time of substitution does not exceed the market value of the assets replaced, as determined and confirmed in writing by the Issuer (acting reasonably), and (3) the duration of the substitute Security Interest does not exceed the duration of the substituted Security Interest.

"Permitted Reorganisation" means (i) any consolidation, amalgamation, merger or De-merger of the Issuer with any other corporation, or (ii) the sale or transfer of all, or substantially all, of the assets of the Issuer or any Subsidiary of the Issuer to a single acquirer, or (iii) any contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of, all or substantially all, of the assets or going concern of the Issuer or any of its Subsidiaries or (iv) any purchase or exchange by the Issuer or any of its Subsidiaries of its assets or its going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind, provided that in any such reorganisation affecting the Issuer (where the Issuer is not the continuing entity):

- (a) the continuing entity (in the case of (i) above) or the acquirer (in the case of (ii) above) (each, a **"Successor"**) shall assume all of the obligations under the Bonds including the obligation to deliver its ordinary shares upon conversion of the Bonds mutatis mutandis these Conditions, at an initial conversion price which shall be determined in such manner as an Independent Financial Adviser (acting reasonably) shall deem to be appropriate;
- (b) the ordinary shares of the Successor are admitted to listing on the Relevant Stock Exchange or on another regulated, regularly operating, recognised stock exchange or securities market in the European Union;
- (c) such other changes are made to these Conditions and the Agency Agreement as an Independent Financial Adviser shall deem to be appropriate;

(d) no Event of Default (as defined in Condition 10) shall have occurred.

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

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

"Record Date" has the meaning provided in Condition 8(c).

"Reference Date" means, in relation to a Retroactive Adjustment, the date on which the relevant Adjustment to the Conversion Price takes effect or, in any such case, if that is not a dealing day, the next following dealing day.

"Reference Shares" means, in respect of the exercise of Conversion Rights by a holder, the number of Ordinary Shares (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of Bonds which are the subject of the relevant exercise of Conversion Rights by such holder by the Conversion Price in effect on the relevant Conversion Date.

"Register" has the meaning provided in Condition 4(a).

"Relevant Currency" means, at the relevant time or for the purposes of the relevant calculation or determination, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

"Relevant Date" means, in respect of any Bond, whichever is the later of:

- (i) the date on which payment in respect of it first becomes due; and
- (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 15 that, upon further presentation of the Bond, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

"Relevant Indebtedness" means any present or future indebtedness (whether being principal, interest or other amounts), in the form of, or represented by, notes, bonds or other securities, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any recognised stock exchange, over-the-counter or other securities market; provided, however, that any indebtedness represented by notes or similar instruments, issued by consolidated or non-consolidated special purpose vehicles in connection with the securitisation of assets, and in respect of which recourse is limited to such assets, shall not be deemed to constitute Relevant Indebtedness. For the avoidance of doubt, Relevant Indebtedness shall not include, whether granted by the Issuer or any of its Subsidiaries, any

mortgages, bank loans, guarantee or indemnification obligations in connection with the securitisation of assets.

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

"Relevant Stock Exchange" means the regulated market of Euronext Paris or if at the relevant time the relevant Securities are not at that time listed and admitted to trading on the regulated market of Euronext Paris, the principal regulated stock exchange or securities market on which the relevant Securities are then listed, admitted to trading or quoted or dealt in.

"Restricted Period" has the meaning provided in Condition 6(a).

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

"Scheme of Arrangement" has the meaning provided in the definition of **"Newco Scheme"**.

"Securities" means any securities including, without limitation, Ordinary Shares, or options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares.

"Shareholders" means the holders of Ordinary Shares.

"Specified Date" has the meaning provided in Conditions 6(b)(vii) and (viii).

"Specified Warrants" means publicly-traded warrants used in lieu of publicly-traded preferential subscription rights (*droit préférentiel de souscription*) (with an exercise price usually lower than the market price, maturity of the warrant similar to the subscription period of an issue of Ordinary Shares or other Securities by way of preferential subscription rights (*droit préférentiel de souscription*) and an option to monetise the unexercised warrants by way of a final rump placing of the Ordinary Shares or other securities in respect of such unexercised warrants).

"Spin-Off" means:

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

other than, in each case, to the extent such distribution, or, as the case may be, issue, transfer or delivery of any property or assets, constitutes a De-merger.

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

"Subsidiary" of any person means at any relevant time (i) a company more than 50 per cent. of the Voting Rights of which are owned or controlled, directly or indirectly, by such person or by one or more other Subsidiaries of such person or by such person and one or more Subsidiaries thereof or (ii)

any other company in which such person, or one or more other Subsidiaries of such person or such person and one or more other Subsidiaries thereof, directly or indirectly, also by way of shareholders' agreements, has at least a majority ownership in the share capital with Voting Rights or in any event a dominant influence as defined under applicable law.

"TARGET Business Day" means a day (other than a Saturday or Sunday) on which the TARGET System is operating.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system which was launched on 19 November 2007 or any successor thereto.

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

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

"Volume Weighted Average Price" means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, option, warrant or other right or asset on any dealing day, the order book volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security, option, warrant or other right or asset, published by or derived from Bloomberg page HP (setting 'Weighted Average Line' or any other successor setting and using values not adjusted for any event occurring after such dealing day and for the avoidance of doubt all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Ordinary Share, Security, Spin-Off Security, option, right or asset in respect of (in the case of an Ordinary Share) the Relevant Stock Exchange (and for the avoidance of doubt, such Bloomberg page being, in the case of an Ordinary Share as at the Assumption Date, COV FP Equity HP) or (in the case of any other Security, Spin-Off Security, option, right or asset) the principal stock exchange or securities market on which such Securities or Spin-Off Securities, options, rights or assets are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by the Calculation Agent on such dealing day and translated, if not in the Relevant Currency, into the Relevant Currency by the Calculation Agent at the Prevailing Rate on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or a Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined all as calculated by the Calculation Agent or, if such price cannot be calculated as aforesaid, determined by an Independent Financial Adviser in such manner as it may consider appropriate.

"Voting Rights" means the right generally to vote at a general meeting of Shareholders of the Issuer (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"VWAP Volume" means, in respect of any Volume Weighted Average Price on any dealing day, the order book volume of Ordinary Shares traded on the Relevant Stock Exchange on such dealing day, as published by or derived from Bloomberg page HP (setting 'VWAP Volume' or any other successor setting and using values not adjusted for any event occurring after such dealing day and for the avoidance of doubt all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Ordinary Share and the Relevant Stock Exchange (and for the avoidance of doubt, such Bloomberg page is, as at the Assumption Date, COV FP Equity HP), if any or, in any such case, such other source as shall be determined to be appropriate by the Calculation Agent on such dealing day, provided that if on any such dealing day such volume is

not available or cannot otherwise be determined as provided above, the VWAP Volume of an Ordinary Share in respect of such dealing day shall be the VWAP Volume, determined as provided above, on the immediately preceding dealing day on which the same can be so determined all as calculated by the Calculation Agent or, if such volume cannot be determined as aforesaid, determined by an Independent Financial Adviser in such manner as it may consider appropriate.

"€" and "euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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

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

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

For the purposes of Conditions 6 (a), (b), (c), (h) and (i) and Condition 11 only, (a) references to the "**issue**" of Ordinary Shares or Ordinary Shares being "**issued**" shall include the transfer and/or delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (b) Ordinary Shares held by or on behalf of the Issuer or any of its respective Subsidiaries (and which, in the case of Condition 6(b)(iv), do not rank for the relevant right or other entitlement) shall not be considered as or treated as "**in issue**" or "**issued**", or entitled to receive the relevant Dividend, right or other entitlement.

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

4 Registration and Transfer of Bonds

(a) Registration

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

(b) Transfer

Bonds may, subject to the terms of the Agency Agreement and to Conditions 4(c) and 4(d), be transferred in whole or in part (but always in an Authorised Denomination)

by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Conversion Agent.

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

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

(c) Formalities Free of Charge

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

(d) Closed Periods

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

5 Interest

(a) Interest Rate

The Bonds bear interest from (and including) the Closing Date at the rate of 0.875 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in arrear in equal instalments on 31 January and 31 July in each year (each an "**Interest Payment Date**"), except that the first payment of interest was made on 31 January 2016 in respect of the period from (and including) the Closing Date to (but excluding) 31 January 2016 and amounted to €430.37 per €100,000 in principal amount of the Bonds.

The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant

period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of the number of days from (and including) the immediately preceding Interest Payment Date to (but excluding) the next Interest Payment Date and the number of Interest Periods normally ending in any year.

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

(b) Accrual of Interest

Each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date (subject in any such case as provided in Condition 6(j)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 5(a) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Principal Paying, Transfer and Conversion Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

6 Conversion of Bonds

(a) Conversion Period and Conversion Price

Subject to the right of the Issuer to make a Cash Alternative Election pursuant to Condition 6(l) and otherwise as provided in these Conditions, each Bond shall entitle the holder to convert such Bond into new and/or existing Ordinary Shares as determined by the Issuer, credited as fully paid (the **"Conversion Right"**).

The number of Ordinary Shares to be issued or transferred and delivered on exercise of a Conversion Right shall be determined by the Calculation Agent by dividing the principal amount of the Bonds to be converted by the conversion price (the **"Conversion Price"**) in effect on the relevant Conversion Date.

The Conversion Price as at the Assumption Date is €118.0836 per Ordinary Share. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b).

For the avoidance of doubt, Condition 6(b)(x) shall apply in respect of any exercise of Conversion Rights for which the Conversion Date falls during the period commencing on (and including) the Assumption Date and ending on (and including) the date falling 60 calendar days following the Assumption Date (the **"Original Issuer Change of Control Period"**).

If a Cash Alternative Election is made by the Issuer, the Issuer shall make payment to the relevant holder of the relevant Cash Alternative Amount in respect of the Cash

Settled Shares specified in the relevant Cash Alternative Election Notice and, where such number of Cash Settled Shares is less than the number of Reference Shares in respect of such exercise of Conversion Rights, issue or transfer and deliver to the relevant holder a number of Ordinary Shares as is equal to the Reference Shares minus the Cash Settled Shares.

A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond to the specified office of any Paying, Transfer and Conversion Agent in accordance with Condition 6(h) whereupon the Issuer shall (subject as provided in these Conditions) procure the delivery to, or as directed by, the relevant Bondholder (subject to the right of the Issuer to make a Cash Alternative Election) of Ordinary Shares credited as paid up in full, in each case as provided in this Condition 6.

Subject to and as provided in these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time subject to any applicable fiscal or other laws or regulations and as hereinafter provided, (subject as provided below) up to the close of business (at the place where the relevant Bond is delivered for conversion) on the date falling 7 days prior to the Final Maturity Date (both days inclusive) or, if such Bond is to be redeemed pursuant to Condition 7(b) or 7(c) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the seventh day before the date fixed for redemption thereof pursuant to Condition 7(b) or 7(c), unless there shall be a default in making payment in respect of such Bond on such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 15 or, if earlier, the Final Maturity Date or, if the Final Maturity Date is not a Paris business day, the immediately preceding Paris business day; provided that, in each case, if such final date for the exercise of the Conversion Rights is not a business day at the place aforesaid, then the period for exercise of the Conversion Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

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

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

Furthermore, if the board of directors of the Issuer resolves to convene a shareholders' meeting to resolve upon the distribution of Dividends, Conversion Rights in respect of a Bond may not be exercised from the date of the resolution by the board of directors up to and including the date immediately preceding the relevant ex date for the payment of the Dividend approved at the relevant shareholders' meeting (the "**Restricted Period**").

The foregoing shall not apply if the board of directors of the Issuer resolves to convene a shareholders' meeting in the event that (i) a Change of Control has already occurred; or (ii) a Change of Control occurs on or after the date of such board resolution and prior to the relevant shareholders' meeting. In that case, Bondholders shall be entitled to exercise Conversion Rights during the Change of Control Period, provided that they shall not be entitled to exercise Conversion Rights during the Change of Control Restricted Period (if any).

The "**Change of Control Restricted Period**" means the period commencing on and including the 7th dealing day preceding the shareholders' meeting convened to resolve upon the distribution of Dividends and ending on and including (A) where such shareholders' meeting does not approve such distribution of Dividends, the date immediately following the date of such shareholders' meeting or (B) (in any other case) the date immediately preceding the relevant ex date for payment of the relevant Dividend approved at the relevant shareholders' meeting.

Notwithstanding the above, the Change of Control Restricted Period shall never exceed a period of 40 calendar days. For the avoidance of doubt, if the ex date for the payment of the Dividend falls more than 40 calendar days after the start of the Change of Control Restricted Period, such Change of Control Restricted Period shall be deemed to end 40 calendar days after the first day of the Change of Control Restricted Period. Conversion Notices that are received during a Restricted Period or a Change of Control Restricted Period shall be deemed not to have been delivered and shall be null and void.

The periods during which Conversion Rights may (subject as provided herein) be exercised by a Bondholder are referred to as the "**Conversion Period**".

Conversion Rights may only be exercised in respect of the whole of the Authorised Denomination.

Fractions of Ordinary Shares will not be issued or delivered on exercise of Conversion Rights or pursuant to Condition 6(c). However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Ordinary Shares to be delivered on conversion or pursuant to Condition 6(c) are to be registered in the same name, the number of such Ordinary Shares to be delivered in respect thereof shall be calculated by the Calculation Agent on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Ordinary Shares, and a cash amount equal to the product (rounded down to the nearest whole multiple of €0.01) of any fraction of an Ordinary Share so rounded down and the Volume Weighted Average Price of an Ordinary Share on the Conversion Date shall be paid to the relevant Bondholder in respect of such exercise of Conversion Rights.

The Issuer will procure that Ordinary Shares to be issued or delivered on exercise of Conversion Rights will be issued or delivered to the holder of the Bonds completing the relevant Conversion Notice or his nominee. Such Ordinary Shares will be deemed to be issued or delivered as of the relevant Delivery Date. Any Additional Ordinary Shares to be issued or transferred and delivered pursuant to Condition 6(c) will be deemed to be issued or delivered as of the relevant Additional Ordinary Shares Delivery Date.

(b) *Adjustment of Conversion Price*

Upon the happening of any of the events described below, the Conversion Price shall be adjusted by the Calculation Agent, on behalf of the Issuer, as follows:

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

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

where:

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

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

- (ii) If and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive or (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

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

where:

- A is the aggregate number of Ordinary Shares in issue immediately before such issue; and
- B is the aggregate number of Ordinary Shares in issue immediately after such issue.

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

(iii)

- (A) If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders, unless an adjustment has already been made under any provision of these Conditions, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date (or, if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein) by the following fraction:

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

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Ordinary Shares entitled to receive the relevant Capital Distribution.

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

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

"Ordinary Cash Dividend" means (i) any Dividend (other than a Special Dividend) which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of "Spin-Off" and (ii) any Dividend determined to be an Ordinary Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", provided that any Ordinary Cash Dividend not expressed to be paid or made in respect of a given financial year shall be deemed to have been paid or made in respect of the financial year in which such Ordinary Cash Dividend is paid or made.

"Capital Distribution" means any Dividend which is not an Ordinary Cash Dividend, and shall include, for the avoidance of doubt, a Spin-Off and a Special Dividend.

- (B) If and whenever the Issuer shall pay any Extraordinary Dividends to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date (or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend can be determined) by the following fraction:

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

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date;
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend; and
- C is the amount (if any) by which the Threshold Amount in respect of the Relevant Fiscal Year exceeds an amount equal to the aggregate of the Fair Market Values of any previous Ordinary Cash Dividends per Ordinary Share paid or made in respect of such Relevant Fiscal Year (where C shall be zero if such previous Ordinary Cash Dividends per Ordinary Share are equal to, or exceed, the Threshold Amount in respect of such Relevant Fiscal Year). For the avoidance of doubt "C" shall equal the Threshold Amount in respect of the Relevant Fiscal Year where no previous Ordinary Cash Dividends per Ordinary Share have been paid or made in respect of such Relevant Fiscal Year.

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

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

"Extraordinary Dividend" means any Ordinary Cash Dividend (the **"Relevant Dividend"**) paid or made in respect of a fiscal year of the Issuer, (each a **"Relevant Fiscal Year"**), if (a) the Fair Market Value of the Relevant Dividend per Ordinary Share or (b) the sum of (i) the Fair Market Value of the Relevant Dividend per Ordinary Share and (ii) an amount equal to the aggregate of the Fair Market Value or Values of any other Ordinary Cash Dividend or Ordinary Cash Dividends per Ordinary Share paid or made in respect of the Relevant Fiscal Year, exceeds the Threshold Amount in respect of such Relevant Fiscal Year, and in that case the Extraordinary Dividend shall be the Relevant Dividend.

"Threshold Amount" means (A) in respect of the fiscal year of the Issuer ended 31 December 2018, €0.3191 and (B) in respect of any other Relevant Fiscal Year, €2.9108, in each case adjusted pro rata for any adjustments to the Conversion Price made pursuant to the provisions of Condition 6(b)(i), Condition 6(b)(ii) or Condition 6(b)(xiii).

On any adjustment to the Threshold Amount, the resultant Threshold Amount, if not an integral multiple of €0.0001, shall be rounded down to the nearest whole multiple of €0.0001.

Notice of any adjustments to the Threshold Amount shall be given by the Issuer to Bondholders in accordance with Condition 15 as soon as practicable after the determination thereof.

- (C) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of "Dividend" and in the definition of "Fair Market Value") be determined as at the Effective Date.
- (D) In making any calculations for the purposes of this Condition 6(b)(iii), such adjustments (if any) shall be made as the Calculation Agent may determine in good faith to be appropriate to reflect any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Ordinary Shares in issue during the Relevant Fiscal Year in question or any change in the fiscal year of the Issuer.
- (E) No adjustment will be made to the Conversion Price for any Dividend paid or made by the Issuer and which record date falls prior to the Assumption Date.
- (iv) If and whenever the Issuer shall issue Ordinary Shares to Shareholders as a class by way of publicly-traded rights (including without limitation publicly-traded preferential subscription rights (*droit préférentiel de souscription*) or Specified Warrants or other rights), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

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

where:

- A is the number of Ordinary Shares in issue on the Effective Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued.

Such adjustment shall become effective on the Effective Date.

"Effective Date" means, in respect of this sub-paragraph (b)(iv), the first date on which the Ordinary Shares are traded ex-preferential subscription rights (*droit préférentiel de souscription*) or ex-Specified Warrants on the Relevant Stock Exchange.

- (v) If and whenever the Issuer shall issue any Securities (other than Ordinary Shares) to Shareholders as a class by way of publicly-traded rights (including without limitation publicly-traded preferential subscription rights (*droit*

préférentiel de souscription) or Specified Warrants or other rights), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

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

where:

- A is the arithmetic average of (i) in the case of publicly-traded preferential subscription rights (*droit préférentiel de souscription*), the Opening Price of the Ordinary Share, or (ii) in the case of Specified Warrants, the Volume Weighted Average Price of the Ordinary Share, in each case on each dealing day during the subscription period.
- B is the arithmetic average of (i) in the case of publicly-traded preferential subscription rights (*droit préférentiel de souscription*), the Opening Price of the publicly-traded preferential subscription right, or (ii) in the case of Specified Warrants, the Volume Weighted Average Price of the Specified Warrant, in each case on each dealing day during the subscription period.

Such adjustment shall become effective on the Effective Date.

"Effective Date" means, in respect of this sub-paragraph (b)(v), the date of issue of such Securities.

- (vi) If and whenever the Issuer shall issue (otherwise than as mentioned in sub-paragraph (b)(iv) above) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares) or issue or grant (otherwise than as mentioned in sub-paragraphs (b)(iv) or b(v) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Ordinary Shares (other than the Bonds, which term shall for this purpose include any Further Bonds), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of any such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

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

where:

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

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

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

Such adjustment shall become effective on the Effective Date.

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

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

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

where:

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

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

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

Such adjustment shall become effective on the Effective Date.

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

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

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

where:

A is the number of Ordinary Shares in issue immediately before the Effective Date (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Ordinary Shares which have been issued, purchased or acquired by the Issuer or any Subsidiary of the Issuer (or at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) for the purposes of or in connection with such Securities, less the number of such Ordinary Shares so issued, purchased or acquired);

- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as the Calculation Agent shall consider appropriate for any previous adjustment under this sub-paragraph (b)(viii) or sub-paragraph (b)(vii) above;

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

Such adjustment shall become effective on the Effective Date.

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

- (ix) If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (where such securities are not also offered to Bondholders) except where the Conversion Price falls to be adjusted under sub-paragraphs (b)(ii), (b)(iii), (b)(iv), (b)(v), (b)(vi), or (b)(vii) above or (b)(x) below (or (in the case of sub-paragraphs (b)(vi) or (b)(vii) above) would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant dealing day), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the Effective Date by the following fraction:

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

where:

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

Such adjustment shall become effective on the Effective Date.

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

- (x) (A) Upon any exercise of Conversion Rights where the Conversion Date falls during the Original Issuer Change of Control Period, or (B) if a Change of Control shall occur, then upon any exercise of Conversion Rights where the Conversion Date falls during the Change of Control Period, the Conversion Price (the **"Change of Control Conversion Price"**) shall, for the purposes of such exercise of Conversion Rights only, be determined as set out below:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

Where:

- COCCP = means the Change of Control Conversion Price
- OCP = means the Conversion Price in effect on the relevant Conversion Date
- CP = means 32.5 per cent. (expressed as fraction)
- c = means the number of days from and including the date the Change of Control occurs to but excluding the Final Maturity Date
- t = means the number of days from and including the Closing Date to but excluding the Final Maturity Date

- (xi) In the event that the Issuer is merged into another company (*absorption*) or is merged with one or more companies forming a new company (*fusion*) or undertakes a De-merger, the Bonds will be convertible into Ordinary Shares of the merged or new company or of one or more of the beneficiary companies of such De-merger.

The new Conversion Price will be determined by an Independent Financial Adviser by reference to the Conversion Price in effect prior to the commencement of the relevant transaction and the exchange ratio of Ordinary Shares to the shares of the merging company or the beneficiary companies of the De-merger. These companies will automatically be substituted for the Issuer for the purpose of the performance of its obligations towards the Bondholders (or, in the case of a De-merger, such beneficiary company or companies as is determined to be appropriate by an Independent

Financial Adviser will automatically be substituted for the Issuer for the purpose of the performance of its obligations towards the Bondholders).

- (xii) In the event of a repurchase by the Company of its own Shares at a price higher than the market price, the new Conversion Price will be determined by the Calculation Agent by multiplying the Conversion Price in effect prior to the Effective Date:

$$\frac{\text{Value of the share} - (Pc\% \times \text{Repurchase price})}{\text{Value of the share} \times (1 - Pc\%)}$$

where:

Value of the share is the Current Market Price of the Ordinary Share on the day of repurchase (or the repurchase option);

Pc% is the percentage of share capital repurchased; and

Repurchase price is the actual price at which the Shares are repurchased.

Such adjustment shall become effective on the Effective Date.

"Effective Date" means, in respect of this sub-paragraph (b)(xii), the date of repurchase (or option to repurchase).

- (xiii) If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more circumstances not referred to above in this Condition 6(b) (even if the relevant circumstance is specifically excluded from the operation of sub-paragraphs (b)(i) to (xii) above), the Issuer shall, at its own expense and acting reasonably, request an Independent Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this sub-paragraph (b)(xiii) if such Independent Financial Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(b) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise or will give rise to an adjustment to the Conversion Price occurs or will occur within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such

modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result;

- (b) in addition, such modification shall be made to the operation of these Conditions as may be advised by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once; and
- (c) other than pursuant to Condition 6(b)(i), no adjustment shall be made that would result in an increase to the Conversion Price.

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

- (a) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (b) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant Effective Date, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date; and

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

For the avoidance of doubt, the issue, transfer or delivery of Ordinary Shares pursuant to the exercise of Conversion Rights shall not result in an adjustment to the Conversion Price pursuant to Condition 6(b).

(c) *Retroactive Adjustments*

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

(d) *Decisions and determinations of an Independent Financial Adviser or Calculation Agent*

Adjustments to the Conversion Price shall be determined and calculated by the Calculation Agent at the request of the Issuer, and/or to the extent so specified in the Conditions only, in good faith by an Independent Financial Adviser. Adjustments to the Conversion Price so calculated by the Calculation Agent or, where applicable, an Independent Financial Adviser and any other determinations made by the Calculation Agent or, where applicable, an Independent Financial Adviser pursuant to these Conditions shall be final and binding (in the absence of bad faith or manifest error) on the Issuer, the Bondholders and the other Agents. The Calculation Agent may consult, at the expense of the Issuer, on any matter (including but not limited to, any legal matter), any legal or other professional adviser and it shall not be liable and shall incur no liability as against the Bondholders in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.

The Calculation Agent is acting hereunder exclusively as an agent for and upon request from the Issuer and in accordance with the Conditions. Neither the Calculation Agent (acting in such capacity) nor any Independent Financial Adviser appointed in connection with the Bonds (acting in such capacity), shall have any relationship of agency or trust with, and shall not be liable to and shall incur no liability as against, the Bondholders.

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

(e) Share or Option Schemes

No adjustment will be made to the Conversion Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees or former employees or directors (including Directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme (an "**Option Scheme**").

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

On any adjustment, the resultant Conversion Price, if not an integral multiple of €0.0001, shall be rounded down to the nearest whole multiple of €0.0001.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to Bondholders in accordance with Condition 15 as soon as practicable after the determination thereof.

The Conversion Price shall not in any event be reduced to below the nominal value (if any) of the Ordinary Shares. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value or any minimum level permitted by applicable laws or regulations.

(g) Change of Control

Within 14 calendar days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 15 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement, subject to the right of the Issuer to procure the delivery of a Confirmation Opinion, to exercise their rights to require redemption of their Bonds pursuant to Condition 7(e).

The Change of Control Notice shall also specify:

- (i) all information material to Bondholders concerning the Change of Control;
- (ii) the Conversion Price immediately prior to the occurrence of the Change of Control and the Change of Control Conversion Price applicable pursuant to Condition 6(b)(x) during the Change of Control Period on the basis of the Conversion Price in effect immediately prior to the occurrence of the Change of Control;
- (iii) the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;
- (iv) the last day of the Change of Control Period;
- (v) the Confirmation Opinion Deadline; and
- (vi) the Change of Control Put Date.

The Issuer shall also, if it delivers or procures the delivery of a Confirmation Opinion to the Principal Paying, Transfer and Conversion Agent on or prior to the Confirmation Opinion Deadline, give notice of such fact to the Bondholders in accordance with Condition 15 within five calendar days of the delivery of such Confirmation Opinion. If no such Confirmation Opinion is delivered to the Principal Paying, Transfer and Conversion Agent on or prior to the Confirmation Opinion Deadline, the Issuer shall give notice of such fact to the Bondholders in accordance with Condition 15 within five calendar days of the Confirmation Opinion Deadline.

(h) Procedure for exercise of Conversion Rights

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

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

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

Conversion Rights may only be exercised in respect of an Authorised Denomination.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the "**Conversion Date**") shall be the business day in Paris immediately following the date of the delivery of the relevant Bond and the Conversion Notice as provided in this Condition 6(h).

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on such exercise (other than any taxes or capital, stamp, issue and registration and transfer taxes and duties payable in France in respect of the issue or transfer and delivery of any Ordinary Shares in respect of such exercise (including any Additional Ordinary Shares), which shall be paid by the Issuer). If the Issuer shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

Such Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Conversion Rights by it.

Ordinary Shares to be delivered on exercise of Conversion Rights (including any Additional Ordinary Shares) will be delivered through the book-entry facilities of Euroclear France, Euroclear and Clearstream, Luxembourg, unless, at the time of issue, the Ordinary Shares are not a participating security in such facilities]. Where Ordinary Shares are to be issued through the book-entry facilities of Euroclear France, Euroclear and Clearstream, Luxembourg, they will be delivered to the account specified by the relevant Bondholder in the relevant Conversion Notice by not later than the relevant Delivery Date (or, in the case of any Additional Ordinary Shares, by not later than the relevant Additional Delivery Date).

The "**Delivery Date**" in respect of a Bond shall be (i) the last Paris business day of the calendar month in which the relevant Conversion Notice was delivered to the Paying, Transfer and Conversion Agent if the relevant Conversion Notice is delivered on or before the 15th calendar day of the calendar month, or (ii) the 10th Paris business day of the calendar month immediately following the calendar month in which the relevant Conversion Notice was delivered, if the Conversion Notice is delivered to the Paying, Transfer and Conversion Agent from the 16th calendar day up to and including the last calendar day of any calendar month.

The "**Additional Delivery Date**" in respect of the Additional Ordinary Shares shall be (i) the last Paris business day of the calendar month in which the relevant Retroactive Adjustment occurs, if such Retroactive Adjustment occurs on or before the 15th calendar day of the calendar month; (ii) the 10th Paris business day of the calendar month immediately following the calendar month in which the relevant Retroactive Adjustment occurs, if such Retroactive Adjustment occurs from the 16th calendar day up to and including the last calendar day of any calendar month; or (iii) the date of issue of Ordinary Shares, if the Retroactive Adjustment results from the issue of Ordinary Shares.

If the Ordinary Shares are not a participating security in the book-entry facilities of Euroclear France, Euroclear and Clearstream, Luxembourg at the relevant time, the Ordinary Shares to be delivered on exercise of Conversion Rights (including any Additional Ordinary Shares) will be delivered in such manner as may be in accordance with market practice, and as notified by the Issuer to Bondholders.

(i) *Ordinary Shares*

- (i) Ordinary Shares issued or transferred and delivered on exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Delivery Date or, in the case of Additional Ordinary Shares, on the relevant Additional Ordinary Shares Delivery Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Delivery Date or, as the case may be, the relevant Additional Ordinary Shares Delivery Date.
- (ii) Save as provided in Condition 6(j), no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds.

(j) *Interest on Conversion*

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

(k) *Purchase or Redemption of Ordinary Shares*

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

(l) *Cash Alternative Election*

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

- (1) the Conversion Price in effect on the relevant Conversion Date and the number of Reference Shares in respect of such exercise of Conversion Rights;
- (2) the number of Cash Settled Shares in respect of the relevant exercise of Conversion Rights and by reference to which the Cash Alternative Amount is to be calculated; and
- (3) if the number of Cash Settled Shares is less than the number of Reference Shares in respect of the relevant exercise of Conversion Rights, the number of Ordinary Shares to be issued or transferred to and delivered by the Issuer to the relevant Bondholder in respect of such exercise,

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

(ii) If there is a Retroactive Adjustment to the Conversion Price following the exercise of Conversion Rights by a Bondholder, in circumstances where a Cash Alternative Election is or was made in respect of such exercise, the Issuer shall pay to the relevant Bondholder an additional amount (the "**Additional Cash Alternative Amount**") equal to the Market Price of such number of Ordinary Shares as is equal to the number of Additional Ordinary Shares that would have been required to be issued or transferred and delivered to the relevant Bondholder had a Cash Alternative Election not been made in respect of the relevant exercise of Conversion Rights (and on the basis that the reference to "**Delivery Date**" in the first line of Condition 6(c)(ii) had been deemed to refer to "**Conversion Date**").

The Issuer will pay the Additional Cash Alternative Amount not later than 5 TARGET Business Days following the relevant Reference Date or, if later, on the date on which the related Cash Alternative Amount is to be paid, by transfer to a euro account with a bank in a city in which banks have access to the TARGET system in accordance with instructions contained in the relevant Conversion Notice.

(m) *Specific provisions*

With regard to Article L. 228-98 of the French commercial code,

- (i) the Issuer is authorised to change its corporate form or purpose, without approval of the Bondholders;
- (ii) the Issuer is authorised to redeem its share capital, or change its profit distribution and/or issue preferred shares, without approval of the Bondholders; provided that, as long as any Bonds are outstanding, it takes the necessary measures to preserve the rights of the Bondholders.
- (iii) In the event of a reduction of the Issuer's share capital resulting from losses and realised through a decrease of the par value or of the number of Ordinary Shares comprising its share capital, the rights of the Bondholders will be reduced accordingly, as if they had exercised their Conversion Right prior to the date on which such share capital reduction occurred. In the event of a reduction of the Issuer's share capital by a decrease in the number of Ordinary Shares, the new Conversion Price will be determined by the Calculation Agent and will be equal to the product of the Conversion Price in effect prior to the decrease in the number of Ordinary Shares and the following ratio:

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

where:

A is the number of Ordinary Shares comprising the share capital prior to the reduction;

B is the number of Ordinary shares comprising the share capital after the reduction.

7 Redemption and Purchase

(a) Final Redemption

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

(b) Redemption at the Option of the Issuer

(i) Soft Call and Clean-up Call

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Bondholders in accordance with Condition 15, the Issuer may at any time redeem all but not some only of the Bonds on the date (the "Optional Redemption Date") specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to such date:

- (A) at any time if, on each of not less than 20 dealing days in any period of 30 consecutive dealing days ending not more than 7 days prior to

the giving of the relevant Optional Redemption Notice, the Volume Weighted Average Price of an Ordinary Share for such dealing day exceeds 130 per cent. of the Conversion Price in effect on each such dealing day; or

- (B) at any time if, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds).

(c) *Redemption for Taxation Reasons*

At any time the Issuer may, having given not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders, redeem (subject to the second following paragraph) all but not some only of the Bonds for the time being outstanding on the date (the "**Tax Redemption Date**") specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to such date, if (i) the Issuer has or will become obliged to pay additional amounts in respect of payments of interest on the Bonds pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of France and/or Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Assumption Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided 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 were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying, Transfer and Conversion Agent (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised international standing to the effect that such change or amendment has occurred and that the Issuer has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective).

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

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Bonds shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of interest to be made on such Bonds which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts of such interest on such Bonds shall be made subject to the deduction or withholding of any French and/or Italian taxation required to be withheld or deducted. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying, Transfer and Conversion Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the

specified office of any Paying, Transfer and Conversion Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

(d) Optional Redemption and Tax Redemption Notices

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

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

Following the occurrence of a Change of Control, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at its principal amount, together with accrued and unpaid interest to such date, provided that the Issuer has not procured the delivery of a Confirmation Opinion to the Principal Paying, Transfer and Conversion Agent on or prior to the Confirmation Opinion Deadline. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Conversion Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying, Transfer and Conversion Agent (a "**Change of Control Put Exercise Notice**"), at any time during the Change of Control Put Exercise Period. The "**Change of Control Put Date**" shall be the fourteenth calendar day after the expiry of the Change of Control Period.

Payment in respect of any such Bond shall be made by transfer to a euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

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

"**Change of Control Put Exercise Period**" means the period commencing on the date falling 7 calendar days after the Confirmation Opinion Deadline and ending on the last day of the Change of Control Period.

"**Confirmation Opinion**" means a written opinion of an Independent Financial Adviser which states that the relevant Change of Control is not, in its opinion, materially prejudicial to the interests of Bondholders, whether by reason of its actual or potential effect on the condition (financial or other), results of operations, credit standing, business or prospects of the Issuer or its actual or potential effect on the liquidity or trading price of the Ordinary Shares.

"**Confirmation Opinion Deadline**" means the date falling 30 calendar days after the occurrence of the Change of Control.

(f) Redemption at the Option of Bondholders upon the Merger

As from the Assumption Date, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Original Issuer Change of Control Put Date at its principal amount, together with accrued and unpaid interest to such date, provided that the Issuer has not procured the delivery of a Merger Confirmation Opinion to the Principal Paying, Transfer and Conversion Agent on or prior to the Merger Confirmation Opinion Deadline. To exercise such right, the holder of the relevant Bond must deliver such Bond to the specified office of any Paying, Transfer and Conversion Agent, together with a duly completed and signed notice of exercise for the time being current obtainable from the specified office of any Paying, Transfer and Conversion Agent (an "**Original Issuer Change of Control Put Exercise Notice**"), at any time during the Original Issuer Change of Control Put Exercise Period. The "**Original Issuer Change of Control Put Date**" shall be the fourteenth calendar day after the expiry of the Original Issuer Change of Control Period.

Payment in respect of any such Bond shall be made by transfer to a euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Original Issuer Change of Control Put Exercise Notice.

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

"Original Issuer Change of Control Put Exercise Period" means the period commencing on the date falling 7 calendar days after the Merger Confirmation Opinion Deadline and ending on the last day of the Original Issuer Change of Control Period.

"Merger Confirmation Opinion" means a written opinion of an Independent Financial Adviser which states that the Merger is not, in its opinion, materially prejudicial to the interests of Bondholders, whether by reason of its actual or potential effect on the condition (financial or other), results of operations, credit standing, business or prospects of the Issuer or its actual or potential effect on the liquidity or trading price of the Ordinary Shares.

"Merger Confirmation Opinion Deadline" means the date falling 30 calendar days after the Assumption Date.

(g) *Purchase*

Subject to the requirements (if any) of any stock exchange or securities market on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 14.

(h) *Cancellation*

All Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Subject to the requirements (if any) of any stock exchange or securities market on which the Bonds may be admitted to listing and/or trading at the relevant time and subject to compliance with all applicable laws and regulations, Bonds purchased by the Issuer or any of its Subsidiaries may be held or re-sold by the Issuer or submitted for cancellation by the Issuer or its Subsidiaries, in each case, at the Issuer's discretion.

(i) *Multiple Notices*

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

8 **Payments**

(a) *Principal*

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

(b) *Other amounts*

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

(c) *Record Date*

"Record Date" means the fifth day before the due date for the relevant payment.

The Bonds on issue will be represented by a global Bond (the **"Global Bond"**) registered in the name of a common depository for Euroclear Bank SA/NV (**"Euroclear"**) and/or Clearstream Banking, societe anonyme (**"Clearstream, Luxembourg"**).

All payments in respect of Bonds represented by the Global Bond will be made to, or to the order of, the person whose name is entered 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.

(d) *Payments*

Each payment in respect of the Bonds pursuant to Condition 8(a) and (b) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

Payment instructions (for value on the due date or, if that is not a TARGET Business Day, for value the first following day which is a TARGET Business Day) will be initiated on the TARGET Business Day preceding the due date for payment (for value the next TARGET Business Day).

(e) *Payments subject to fiscal laws*

Save as provided in Condition 9, all payments in respect of the Bonds are subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

(f) *Delay in payment*

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

(g) *Business Days*

In this Condition, "business day" means a day (other than a Saturday or Sunday) on which the TARGET System is operating.

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

The initial Paying, Transfer and Conversion Agents and Registrar and their initial specified offices are listed below. The Issuer reserves the right under the Agency Agreement at any time to vary or terminate the appointment of any Paying, Transfer and Conversion Agent and Registrar and appoint additional or other Paying, Transfer and Conversion Agents, provided that it will (i) maintain a Principal Paying, Transfer and Conversion Agent, and (ii) maintain a Registrar with a specified office outside the United Kingdom. Notice of any change in the Paying, Transfer and Conversion Agents or the Registrar or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 15. The Issuer reserves the right under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent and appoint additional or other Calculation Agents, provided that it will maintain a Calculation Agent, which shall be a financial institution of international repute or an independent financial adviser with appropriate expertise. Notice of any change in the Calculation Agent will promptly be given by the Issuer to the Bondholders in accordance with Condition 15.

(i) *No charges*

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

(j) *Fractions*

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

9 Taxation

All payments made by on or behalf of the Issuer in respect of the Bonds shall be made free from any restriction or condition and be made without deduction or withholding for, or on

account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, France and/or Italy or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law.

In the event that any such withholding or deduction is required to be made, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the amounts which would otherwise have been receivable had no such withholding or deduction been required (taking into account any reduced rate of withholding or deduction available to the Bondholders), except that no such additional amount shall be payable in relation to any payment in respect of any Bond:

- (a) to a holder who is liable to such taxes, duties, assessments or governmental charges imposed or levied by, or on behalf of, France and/or Italy in respect of such Bond by reason of his having some present or former connection with, respectively, France and/or Italy otherwise than merely by holding the Bond or by the receipt of any amounts in respect of the Bond; or
- (b) by or on behalf of a holder who is entitled to avoid such withholding or deduction in respect of the Bond by making a declaration or any other statement to the relevant tax authority or agent, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or
- (c) in all circumstances in which the procedures to obtain an exemption from any system of deduction or withholding set forth under applicable law have not been met or complied with, except where such procedures have not been met or complied with due to actions or omissions of the Issuer or its agents; or
- (d) in respect to any such withholding or deduction imposed or levied by, or on behalf of, Italy or any political subdivision or any authority thereof or therein having power to tax, to a non-Italian resident other than a non-Italian resident who either (i) is resident in a country that allows an adequate exchange of information with Italy (a mandatory list of those countries is contained in the Decree of Minister of Finance dated September 4, 1996) or (ii) is included in one of the following categories: (a) entities or international bodies established according to international treaties implemented in Italy; (b) institutional investors, although not subject to tax, established in a country which satisfies the requirement under (i); or (c) central banks or bodies which manage also the official reserves of a country; or
- (e) any combination of any of the above

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

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

10 Events of Default

If any of the following events (each an "**Event of Default**") occurs:

- (a) **Non-Payment/Non-Delivery:** default is made for more than 5 Paris business days in the payment on the due date of principal or interest or any other amount (including, without limitation, any Cash Alternative Amount, Additional Cash Redemption Amount or Additional Cash Alternative Amount) that may be due in respect of any of the Bonds or the delivery of Ordinary Shares on exercise of Conversion Rights; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Bonds which default is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given to the Issuer by the holder of a Bond or by the Principal Paying, Transfer and Conversion Agent; or
- (c) **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer or any Material Subsidiary of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Material Subsidiary; or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period (as initially agreed); or (iii) the Issuer or any Material Subsidiary of the Issuer fails to pay when due any amount payable by it under any present or future guarantee for any moneys borrowed or raised, provided that the aggregate amount of each relevant indebtedness or guarantee in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds €20 million or its equivalent amount in any other currency; or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is enforced against all or a substantial part of the property, assets or revenues of the Issuer or any Material Subsidiary of the Issuer, present or future, and is not discharged or stayed within 90 days, provided that this paragraph (d) shall not apply to any proceedings against the Issuer or a Material Subsidiary brought by a third party other than an administrative or judicial authority where the Issuer can demonstrate that any such proceedings are being contested or opposed by the Issuer or the Material Subsidiary in good faith, diligently and by appropriate proceedings in a competent court; or
- (e) **Security Enforced:** (i) all conditions necessary for any mortgage, charge, pledge, lien or other formal encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary of the Issuer, present or future, on or against all or a substantial part of the property, assets or revenues of the Issuer or any Material Subsidiary, to become enforceable and to be executed against the Issuer or any Material Subsidiary have occurred, and (ii) any formal step to duly enforce and execute it is taken in accordance with applicable laws (including the taking of possession or the appointment of a receiver, administrative receiver or other similar person), unless the Issuer can demonstrate that any such proceedings are being contested or opposed in accordance with the terms provided for by applicable law by the Issuer or the Material Subsidiary in good faith, diligently and by appropriate proceedings in a competent court; or

- (f) **Insolvency:** the Issuer or any Material Subsidiary is declared unable to pay its debts as they fall due pursuant to any applicable regulations; or
- (g) **Winding-up:** any corporate action or legal proceedings are taken in relation to:
 - (i) the several suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Material Subsidiary (other than a voluntary solvent liquidation or pursuant to a Permitted Reorganisation of such persons); or
 - (ii) a composition, assignment or arrangement with all creditors of any of the Issuer or any Material Subsidiary; or
 - (iii) the bankruptcy of, or the appointment of a liquidator, receiver, administrator, administrative receiver or other similar officer in respect of, the Issuer or any Material Subsidiary, or all or a substantial part of the assets of the Issuer or any Material Subsidiary in connection with any insolvency proceedings; or
 - (iv) any analogous procedure is taken in any jurisdiction in respect of the Issuer or any Material Subsidiary

provided that any such corporate action or legal proceedings which is not initiated, approved or consented to by the Issuer or any Material Subsidiary, as the case may be, is not discharged or stayed within 90 days (unless such proceedings are frivolous or vexatious and contested in good faith and appropriately and do not result in court orders); or

- (h) **Authorisation and Consents:** the Issuer becomes unable for any reason whatsoever
 - (i) to lawfully enter into, exercise its rights and perform and comply with its obligations under the Bonds, or (ii) to ensure that those obligations are legally binding and enforceable; or
- (i) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to above; or
- (j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds,

then any Bond may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Paying, Transfer and Conversion Agent be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest (if any) without further action or formality.

11 Undertakings

- (a) The Issuer undertakes to use all reasonable endeavours to maintain the listing of the Bonds on an internationally recognised, regularly operating, regulated or non-regulated, stock exchange as determined by the Issuer. The Issuer will forthwith give notice to the Bondholders in accordance with Condition 15 of the delisting of the Bonds by any of such stock exchanges or securities markets.

(b) Whilst any Conversion Right remains exercisable, the Issuer will, save with the approval of an Extraordinary Resolution:

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

unless, in any such case, the same constitutes a Dividend or otherwise gives rise (or would, but for the provisions of Condition 6(f) relating to roundings, give rise) to an adjustment to the Conversion Price;

- (ii) not modify the rights attaching to the Ordinary Shares with respect to voting (provided that nothing in this Condition 11 shall prevent modification to the quorum requirements in respect of general meetings of the holders of Ordinary Shares), dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 11(b) shall prevent:
 - (i) the issue of equity share capital to employees or former employees or directors (including directors holding or formerly holding executive office or the personal service company of any such person) (or the spouse or relative of any such person) whether of the Issuer or any of its Subsidiaries or associated companies by virtue of their office or employment pursuant to an employee, director or executive share or option or incentive schemes; or
 - (ii) any consolidation, reclassification or subdivision of the Ordinary Shares; or

- (iii) any modification of such rights which is not, in the opinion of an Independent Financial Adviser, materially prejudicial to the interests of the holders of the Bonds; or
 - (iv) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Condition 6(f) relating to roundings (or, where comprising Ordinary Shares issued in the circumstances the subject of Condition 6(b)(vi) or Condition 6(b)(vii), the fact that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share), otherwise result, in an adjustment to the Conversion Price; or
 - (v) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Issuer shall have instructed an Independent Financial Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Financial Adviser shall have determined either that no adjustment is required or that an adjustment resulting in a decrease in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly), provided that any determination made by the Independent Financial Adviser as provided above shall be made in compliance with any applicable provisions of French law;
- (iii) procure that, other than the Bonds, no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of Condition 6(f) relating to roundings, give rise) to an adjustment to the Conversion Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
 - (iv) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
 - (v) not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
 - (i) pursuant to the terms of issue of the relevant share capital; or
 - (ii) by means of a purchase or redemption or buy back of share capital of the Issuer to the extent permitted by applicable law; or
 - (iii) pursuant to a Newco Scheme; or

- (iv) by way of or involving a transfer to reserves as permitted under applicable law; or
- (v) where the reduction does not involve any distribution of assets; or
- (vi) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed; or
- (vii) where the reduction is required by applicable law; or
- (viii) to create distributable reserves; or
- (ix) where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 6(f) relating to roundings, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made,

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

- (vi) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associates of the offeror) and/or any parties acting together with the offeror or any associates of the offeror to acquire the whole or a majority of the issued Ordinary Shares, or if any person proposes a scheme with regard to such acquisition (other than a Newco Scheme), give notice, unless prohibited by applicable law, of such offer or scheme to the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying, Transfer and Conversion Agents and, where such an offer or scheme has been recommended by the board of directors of the Issuer, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to enable Bondholders to exercise Conversion Rights so as to be able to tender the Ordinary Shares issued on such exercise of Conversion Rights in such offer or scheme and/or procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights by the Bondholders and/or to the holders of the Bonds;
- (vii) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that immediately after completion of the Scheme of Arrangement, at its option, either (a) Newco is substituted under the Bonds and the Agency Agreement as principal obligor in place of the Issuer (with the Issuer providing a guarantee) subject to and as provided in these Conditions and the Agency Agreement; or (b) Newco becomes a guarantor under the Bonds and, in either case, that (i) such amendments are made to these Conditions as may be determined by an Independent Financial Adviser to be necessary to ensure that the Bonds may be settled by reference to or, as appropriate, converted into or exchanged for, ordinary shares in Newco mutatis mutandis in accordance with and subject to these Conditions and (ii) the ordinary shares of Newco are:

- (A) admitted to the Relevant Stock Exchange; or
- (B) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market in the European Union;
- (viii) use reasonable endeavours to ensure that the Ordinary Shares issued upon exercise of Conversion Rights, if any, will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in;
- (ix) for so long as any Bond remains outstanding, use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares shall be admitted to listing on the Relevant Stock Exchange; and
- (x) at all times keep available for issue or delivery, free from pre-emptive rights out of its authorised but unissued capital, sufficient authorised but unissued Ordinary Shares (after taking account as appropriate of Ordinary Shares held by the Issuer in treasury and which are available for delivery as aforesaid) to enable the exercise of all Conversion Rights, and all rights of subscription and exchange for Ordinary Shares, to be satisfied in full.

12 Prescription

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

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

13 Replacement of Bonds

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

14 Meetings of Bondholders, Modification and Substitution

(a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider any matter affecting their interests relating to the Bonds including provisions governing the passing of resolutions by Bondholders and the modification of any provisions of these Conditions.

A meeting may be convened by the directors of the Issuer and shall be convened by it upon the request of Bondholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Bonds.

The quorum to validly hold, and to pass any resolution in, any meeting of Bondholders will be as provided by the applicable French laws and regulations relating to the meetings of shareholders.

If the business of a meeting of Bondholders includes consideration of any of the following proposals: (i) to change the Final Maturity Date or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount, or interest on, the Bonds, (iii) to increase the Conversion Price other than in accordance with these Conditions, (iv) to change the currency of any payment in respect of the Bonds, (v) to modify the provisions relating to, or cancel, the Conversion Rights (other than pursuant to or as a result of any amendments to these Conditions made pursuant to and in accordance with the provisions of Condition 11(b)(vii) ("**Newco Scheme Modification**"), and other than a reduction to the Conversion Price), or (vi) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 7(b), (c) or (e), (vii) to change the governing law of the Bonds, the Agency Agreement or the Calculation Agency Agreement, or (viii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution (as defined below) or any other resolution or (ix) to make any other material amendment to these Conditions, then the resolution will have to be sanctioned by a resolution (an "**Extraordinary Resolution**") to be approved in all circumstances by at least one-half of the principal amount of the Bonds for the time being outstanding.

In addition, a resolution in writing signed by or on behalf of all Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders under the Agency Agreement will take effect as if it were an Extraordinary Resolution or, as the case may be, any other resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

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

Any resolution duly passed at a meeting of Bondholders shall be binding on all the Bondholders, whether or not they were present at the meeting at which such resolution was passed.

(b) Modification of Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement or the Calculation Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

(c) Substitution

The Issuer, or any previous substituted company, may, in the event of a Newco Scheme, without the consent of the Bondholders, substitute for itself as principal

debtor under the Bonds Newco, provided that no payment in respect of the Bonds is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if (i) Newco shall, by means of the Deed Poll, agree to indemnify each Bondholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of Newco's residence for tax purposes and, if different, of its incorporation with respect to any Bond and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) the obligations of Newco under the Deed Poll and the Bonds shall be unconditionally guaranteed by the Issuer by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll and the Bonds represent valid, legally binding and enforceable obligations of Newco and, in the case of the Deed Poll, of the Issuer have been taken, fulfilled and done and are in full force and effect, (iv) Newco shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Bondholders shall have been delivered to them (care of the Principal Paying, Transfer and Conversion Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition 14(c) and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Bondholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Bondholders, will be available for inspection at the specified office of the Paying, Transfer and Conversion Agents. References in Condition 10 to obligations under the Bonds shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in this Condition 10 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect and the provisions of Condition 10(c) - 100 inclusive shall be deemed to apply in addition to the guarantor.

15 Notices

All notices regarding the Bonds will be valid if published in one leading daily newspaper in the United Kingdom (which is expected to be the Financial Times) or, if this is not possible, in one other leading English language newspaper with general circulation in Europe. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or securities market or other relevant authority on which the Bonds are for the time being listed and/or traded. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

For so long as all of the Bonds are represented by the Global Bond and the Global Bond is deposited with a common depositary for Euroclear Bank SA/NV ("Euroclear") and/or Clearstream, Luxembourg, société anonyme ("Clearstream, Luxembourg"), notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg and such notices shall be deemed to have been given to Bondholders on the day of delivery to Euroclear and/or Clearstream, Luxembourg.

Without prejudice to the foregoing, if the Issuer decides to issue, in any form whatsoever, new shares or securities giving access to the share capital with a preferential subscription right reserved for shareholders, to distribute reserves, in cash or in kind, and issue premiums or to change the distribution of its profits by creating preferred shares, it will inform the Bondholders through a notice published by the Issuer on its website (www.covivio.eu) and a notice published in the French official bulletin of compulsory legal notices (*Bulletin des Annonces Légales Obligatoires*, "BALO") (so long as required by French law) or in any other form of communication compliant with rules and regulations.

16 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or in all respects except for the first payment of interest on them and the first date on which conversion rights may be exercised and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, conversion, premium, redemption and otherwise as the Issuer may determine at the time of their issue.

17 Contracts (Rights of Third Parties) Act 1999

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

18 Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer has irrevocably appointed Law Debenture Corporate Services Limited at its registered office for the time being currently at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent in England to receive service of process in any Proceedings in

England. Nothing herein shall affect the right to serve process in any other manner permitted by law.