



London
Stock Exchange Group

London Stock Exchange Group plc

£2,500,000,000
Euro Medium Term Note Programme

Arranger

BARCLAYS

Dealers

BARCLAYS HSBC MUFG
NATWEST MARKETS RBC CAPITAL MARKETS
SANTANDER CORPORATE AND INVESTMENT BANKING
WELLS FARGO SECURITIES

AN INVESTMENT IN NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS

**YOU SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED IN SECTION 2 (*RISK FACTORS*)
OF THIS OFFERING CIRCULAR**

ABOUT THIS DOCUMENT

What is this document?

This document (the **Offering Circular**) relates to the £2,500,000,000 Euro Medium Term Note Programme (the **Programme**) of London Stock Exchange Group plc (the **Issuer**) under which the Issuer may from time to time issue notes (the **Notes**) denominated in any currency agreed by it and the relevant Dealer(s) (as defined below). This Offering Circular contains information describing the Issuer's business activities as well as certain financial information and material risks faced by the Issuer, and is intended to provide investors with the information necessary to enable them to make an informed investment decision before purchasing any Notes.

The nominal amount (being the amount which is used to calculate payments made on each Note) of all Notes for the time being outstanding under the Programme will not exceed £2,500,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement described herein), subject to any increase that may be agreed between the Issuer and the Dealers.

This Offering Circular is valid for one year from the date hereof and may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

What types of Notes does this Offering Circular relate to?

This Offering Circular relates to the issuance of four different types of Notes: *Fixed Rate Notes*, on which the Issuer will pay interest at a fixed rate; *Floating Rate Notes*, on which the Issuer will pay interest at a floating rate; *Zero Coupon Notes*, which do not bear interest; and *RPI-Linked Notes*, which bear interest which is, or where the final redemption amount is, calculated by reference to movements in the UK Retail Prices Index (**RPI**) during a reference period. Notes may also be issued as a combination of these options. The minimum denomination of each RPI-Linked Note will be €100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

How do I use this Offering Circular?

The contractual terms of any particular issuance of Notes will be comprised of the terms and conditions set out in "*Terms and Conditions of the Notes*" at pages 92 to 125 of this Offering Circular (the **Conditions**), as completed by a separate Final Terms document, which is specific to that issuance of Notes (the **Final Terms**).

The Conditions are comprised of numbered provisions (1 – 21) including generic provisions that are applicable to Notes generally and certain optional provisions that will only apply to certain issuances of Notes.

The following provisions within the Conditions (together with the introductory wording appearing before Condition 1 on pages 92 and 93) apply to Notes generally:

- Condition 1 (*Form, Denomination and Title*)
- Condition 2 (*Status of the Notes*)
- Condition 3 (*Negative Pledge*)
- Condition 8 (*Taxation*)
- Condition 9 (*Prescription*)
- Condition 10 (*Events of Default*)
- Condition 11 (*Enforcement*)
- Condition 12 (*Replacement of Notes, Coupons and Talons*)
- Condition 13 (*Agent and Paying Agents*)

- Condition 14 (*Exchange of Talons*)
- Condition 15 (*Notices*)
- Condition 16 (*Meetings of Noteholders, Modification and Waiver*)
- Condition 17 (*Further Issues*)
- Condition 18 (*Substitution*)
- Condition 19 (*Indemnification*)
- Condition 20 (*Governing Law*)
- Condition 21 (*Contracts (Rights of Third Parties) Act 1999*)

The following Conditions contain certain optional provisions that will only apply to certain issuances of Notes:

- Condition 4 (*Interest*)
- Condition 5 (*Indexation*)
- Condition 6 (*Payments*)
- Condition 7 (*Redemption and Purchase*)

The applicable Final Terms will specify which optional provisions apply to any particular issuance of Notes.

What other documents should I read?

This Offering Circular contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Notes. Some of this information (such as the latest publicly available financial information relating to the Issuer) is incorporated by reference into the Offering Circular and some of this information is completed in the Final Terms. **Before making any investment decision in respect of any Notes, you should read this Offering Circular, together with the documents incorporated by reference, as well as the Final Terms relating to such Notes.**

The Offering Circular and the Final Terms relating to any Notes will be made available at the registered office of the Issuer and will be published at: www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

What information is included in the Final Terms?

While this Offering Circular includes general information about all Notes, the Final Terms is the document that sets out the specific details of each particular issuance of Notes.

The Final Terms will contain the relevant economic terms applicable to any particular issuance of Notes. The Final Terms will contain, for example:

- the issue date;
- the currency;
- the interest basis (i.e. fixed rate, floating rate, RPI-linked or zero coupon) and the interest rate (if any);
- the interest payment dates (if any);

- the scheduled maturity date and redemption amount; and
- any other information needed to complete the Conditions (identified in the Conditions by the words “as specified hereon” or “as specified in the applicable Final Terms” or other equivalent wording).

Wherever the Conditions provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of Notes.

Is any part of this Offering Circular relevant to particular types of Note only?

This Offering Circular includes information that is relevant to all types of Notes that may be issued under the Programme, however, certain sections of this Offering Circular are relevant to particular types of Notes only.

The following sections are relevant to particular types of Notes only:

- the information in the section titled “*Important Information Relating to Public Offers of Notes*” on pages 11 to 15 applies to Notes with a denomination of less than €100,000 (or its equivalent in any other currency) which may be resold, placed or otherwise offered by financial intermediaries, subject to the conditions described therein;
- the form of Final Terms set out in the section entitled “*Applicable Final Terms*” on pages 72 to 82 applies to Notes with a denomination of less than €100,000 (or its equivalent in any other currency); and
- the form of Final Terms set out in the section entitled “*Applicable Final Terms*” on pages 83 to 91 applies to Notes with a denomination of at least €100,000 (or its equivalent in any other currency).

What if I have further queries relating to this Offering Circular and the Notes?

Please refer to “*How do I use this Offering Circular?*” below starting on page 16. If you have any questions regarding the content of this Offering Circular, any Final Terms and/or any Notes or the actions you should take, it is recommended that you seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

IMPORTANT NOTICES

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) (the **Prospectus Directive**) and has been prepared in accordance with the Prospectus Rules made under section 73A of the Financial Services and Markets Act 2000, as amended (the **FSMA**) (the **Prospectus Rules**).

Application has been made to the United Kingdom Financial Conduct Authority (the **FCA**) in its capacity as competent authority under the FSMA (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market and, where relevant, through the electronic order book for retail bonds (the **ORB**) of the London Stock Exchange. References in this Offering Circular to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the London Stock Exchange's regulated market and, where relevant, through the ORB. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, **MIFID II**).

The Issuer may request the UK Listing Authority to provide a certificate of approval in accordance with Article 18 of the Prospectus Directive (a **passport**) in relation to the passporting of this Offering Circular to the competent authority of Italy, *Commissione Nazionale per le Società e la Borsa* (**CONSOB**).

Application may also be made to the CONSOB for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list maintained by the CONSOB and to the Borsa Italiana S.p.A. (**Borsa Italiana**) for such Notes to be admitted to trading on Borsa Italiana's regulated market, and where relevant, through the electronic bond market (**MOT**) operated by Borsa Italiana.

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

Responsibility for the information contained in this Offering Circular

The Issuer accepts responsibility for the information contained in this Offering Circular and any Final Terms. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Use of defined terms in this Offering Circular

Certain terms or phrases in this Offering Circular are defined in bold and subsequent references to that term are designated with initial capital letters. A list of the defined terms is also set out in "*Definitions*" on page 167 of this Offering Circular.

In this Offering Circular, all references to the **Issuer** are to London Stock Exchange Group plc, which is the issuer of the Notes to be issued under the Programme. All references herein to the **Group** are to the Issuer and its consolidated subsidiaries taken as a whole.

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

The Notes are not protected by the Financial Services Compensation Scheme

The Notes to be issued under the Programme are not protected by the Financial Services Compensation Scheme (the **FSCS**). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or the Group as a whole. If the Issuer were to go out of business or become insolvent, you may lose all or part of your investment in any Notes.

Information incorporated by reference in this Offering Circular

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

Credit Rating Agency Regulation notice

The Programme has been assigned ratings of A3 by Moody’s Investors Service Limited (**Moody’s**) and A- by Standard & Poor’s Rating Services, a division of S&P Global UK Limited (**S&P**). The Issuer has been assigned long term debt ratings of A3 by Moody’s and A- by S&P, both of whom are registered or certified in accordance with Regulation (EC) No 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the **CRA Regulation**). The rating of certain Series of Notes to be issued under the Programme may be specified in the Final Terms applicable to the Series of Notes (the **applicable Final Terms**). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Notice to potential investors

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

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

No person is or has been authorised by the Issuer, Barclays Bank PLC (the **Arranger**), the Dealers or HSBC Corporate Trustee Company (UK) Limited (the **Trustee**) to give any information or to make any representation not contained in or not consistent with this Offering Circular and, if given or made, such information or

representation must not be relied upon as having been authorised by the Issuer, the Arranger, any of the Dealers or the Trustee.

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

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. The Dealers, the Arranger and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. When deciding whether or not to purchase Notes of any Tranche, investors should review, inter alia, the documents incorporated by reference into this Offering Circular and any supplement to this Offering Circular (including the Final Terms relating to such Tranche, but not including any other Final Terms).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers, the Arranger and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Dealers, the Arranger or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction (other than the United Kingdom and Italy) where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and the Dealers have represented or, as the case may be, will be required to represent that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States of America, the European Economic Area (including the United Kingdom and Italy), Japan, Jersey, Guernsey and the Isle of Man (see “*Subscription and Sale*” below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and include Notes in bearer form that are subject to certain US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US persons (see “*Subscription and Sale*” below).

MiFID II product governance / target market

The Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending any such Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, **IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling such Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Benchmark Regulation

Interest amounts payable under Floating Rate Notes may be calculated by reference to one of the London Interbank Offered Rate (**LIBOR**), the Euro Interbank Offered Rate (**EURIBOR**) or another benchmark, in each case as specified in the relevant Final Terms. As at the date of this Offering Circular, (i) the administrator of LIBOR (ICE Benchmark Administration Limited) is included in ESMA’s register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**) and (ii) the administrators of EURIBOR are not included in ESMA’s register of administrators under the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the administrator of EURIBOR (European Money Markets Institute) is not currently required to obtain authorisation/registration. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

The Arranger, the Dealers and the Trustee

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer or the Trustee or the Paying Agent (as defined in the Conditions) as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. None of the Arranger, the Dealers, the Trustee and the Paying Agent accepts liability in relation to the information contained in this Offering Circular or any other information provided by the Issuer in connection with the offering of any Notes or their distribution.

The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

No incorporation of websites

In this Offering Circular, reference to websites or uniform resource locators (**URLs**) are inactive textual references. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Offering Circular.

Forward-looking statements

This Offering Circular contains statements that are, or may be deemed to be, forward-looking statements. These statements can be identified by the use of forward-looking expressions, including, without limitation, the terms “believes”, “anticipates”, “expects”, “intends”, “may”, “will”, “should” and “estimated” or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts.

By their nature, forward-looking statements involve unknown risk, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Prospective investors are cautioned not to place any undue reliance on such forward-looking statements, which speak only as at the date of this Offering Circular. Subject to its compliance with its legal and

regulatory obligations, including under the Listing Rules, Disclosure and Transparency Rules and the Prospectus Rules (each as defined in the “*Definitions*” section of this Offering Circular), the Issuer undertakes no obligation to update or revise any forward-looking statement contained in this Offering Circular to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

This Offering Circular is based on English law in effect as of the date of issue of this Offering Circular. Except to the extent required by laws and regulations, the Issuer does not intend, and does not assume any obligation, to update this Offering Circular in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Form of the Notes and CREST depository interests

The Notes of each Tranche will initially be represented by a temporary global Note or a permanent global Note, in each case as specified in the applicable Final Terms which will be deposited on the issue date thereof with a common safekeeper or common depository for Clearstream Banking S.A. (**Clearstream, Luxembourg**) and Euroclear Bank SA/NV (**Euroclear**) and/or any other agreed clearing system. A temporary global Note will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-US beneficial ownership as required by US Treasury regulations. A permanent global Note will be exchangeable for Notes in definitive form either upon request or only upon an Exchange Event (as specified in the applicable Final Terms), all as further described in “*Form of the Notes*” below.

Certain Tranches of Notes issued in new global note form (**NGN**) may be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be delivered to one of Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If so specified in the applicable Final Terms, following the delivery of an issue of Notes into Euroclear or Clearstream, Luxembourg, investors may also hold interests in the Notes through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) (**CREST**) through the issuance of dematerialised depository interests (**CREST Depository Interests** or **CDIs**), issued, held, settled and transferred through CREST, representing interests in the relevant Notes underlying the CDIs (the **Underlying Notes**). CREST Depository Interests are independent securities distinct from the Notes, constituted under, and governed by, English law and transferred through CREST and will be issued by CREST Depository Limited (the **CREST Depository**) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the **CREST Deed Poll**). Neither the Notes nor any rights attached to the Notes will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. Holders of CDIs will not be entitled to deal directly in the Notes and, accordingly, all dealings in the Notes will be effected through CREST in relation to the holding of CDIs. Investors should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Offering Circular.

Copies of applicable Final Terms

Copies of the applicable Final Terms will be available from the registered office of the Issuer and the specified office of each of the Paying Agents during normal business hours and will only be obtainable by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity, and copies of the applicable Final Terms relating to Notes which are admitted to trading on the London Stock Exchange’s regulated market and/or offered in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Directive will also be available on the website of the Regulatory News Service operated by the London Stock Exchange.

Presentation of Information

In this Offering Circular, all references to:

- **Sterling** and **£** refer to the currency of the United Kingdom;

- **US dollars, US\$ and \$** refer to the currency of the United States of America;
- **Australian dollars and A\$** refer to the currency of Australia;
- **Canadian dollars and C\$** refer to the currency of Canada;
- **JPY and ¥** refer to the currency of Japan;
- **Swiss francs and CHF** refer to the currency of Switzerland;
- **euro and €** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and
- **Hong Kong dollars and HK\$** refer to the currency of Hong Kong.

Stabilisation

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the **Stabilising Manager(s)**) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES

If, in the context of a Public Offer (as defined below), you are offered Notes by any entity, you should check that such entity is authorised to use this Offering Circular for the purposes of making such offer before agreeing to purchase any Notes. To be authorised to use this Offering Circular in connection with a Public Offer (referred to below as an **Authorised Offeror**), an entity must either be:

- named as a Manager or relevant Dealer in the applicable Final Terms; and/or
- any financial intermediary specified in the applicable Final Terms as having been granted specific consent to use this Offering Circular and the relevant Final Terms; and/or
- any financial intermediary named on the Issuer's website (<http://www.lseg.com/investor-relations/financial-reports-and-key-documents>) as an Authorised Offeror in respect of the relevant Public Offer (if the entity has been appointed after the applicable Final Terms were published); and/or
- if Part B of the relevant Final Terms specifies "General Consent" as "Applicable", any financial intermediary authorised to make such offers under MiFID II and has published on its website that it is using this Offering Circular for the purposes of such Public Offer in accordance with the consent of the Issuer.

Valid offers of Notes may only be made by an Authorised Offeror in the context of a Public Offer if the offer is made within the Offer Period and only in each Relevant Member State which will be specified in paragraph 9 of Part B of the applicable Final Terms and described as the "Public Offer Jurisdictions", and subject to any other conditions, specified in paragraph 9 of Part B of the applicable Final Terms. Other than as set out above, the Issuer has not authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Offering Circular in connection with any offer of Notes.

Please see below for certain important legal information relating to Public Offers.

Restrictions on Public Offers of Notes in Relevant Member States

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may, subject as provided below, be subsequently resold, placed or otherwise offered by financial intermediaries in circumstances where there is a requirement to publish a prospectus under Article 3 of the Prospectus Directive. Any such resale, placement or offer is referred to as a **Public Offer**. This Offering Circular has been prepared on a basis that permits Public Offers of Notes in each Relevant Member State in relation to which the Issuer has given its consent, as specified in the applicable Final Terms (each specified Relevant Member State, a **Public Offer Jurisdiction**, and together, the **Public Offer Jurisdictions**). Any person making or intending to make a Public Offer of Notes on the basis of this Offering Circular must do so only with the Issuer's consent to the use of this Offering Circular as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive*" below and provided such person complies with the conditions attached to that consent.

Save as provided above, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive

The Issuer accepts responsibility for the content of this Offering Circular under Section 90 of FSMA with respect to the resale or final placement of Notes by any financial intermediary to whom the Issuer has given consent to the use of this Offering Circular (an **Authorised Offeror**) provided that the conditions attached to the giving of consent for the use of this Offering Circular are complied with by the Authorised Offeror. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

Neither the Issuer nor any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and neither the Issuer nor any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except in the circumstances set out in the following paragraphs, the Issuer has not authorised the making of any Public Offer by any offeror and the Issuer has not consented to the use of this Offering Circular by any other person in connection with any Public Offer of Notes. Any Public Offer made without the

consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, any person (an **Investor**) is offered Notes by a person who is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Offering Circular for the purposes of Section 90 of FSMA in the context of such Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Offering Circular and/or who is responsible for its contents it should take legal advice.

Consent

In connection with each Tranche of Notes and subject to the conditions set out below under “*Common Conditions to Consent*”:

Specific consent

- (a) the Issuer consents to the use of this Offering Circular (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Notes by:
 - (i) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;
 - (ii) any financial intermediaries specified in the applicable Final Terms;
 - (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer’s website (<http://www.lseg.com/investor-relations/financial-reports-and-key-documents>) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

General consent

- (b) if (and only if) Part B of the applicable Final Terms specifies “General Consent” as “Applicable”, the Issuer hereby offers to grant its consent to the use of this Offering Circular (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Notes by any other financial intermediary which satisfies the following conditions:
 - (i) it is authorised to make such offers under the FSMA, or other applicable legislation implementing MiFID II (in which regard, Investors should consult the register maintained by the FCA at: <https://register.fca.org.uk/>); and
 - (ii) it accepts the Issuer’s offer to grant consent to the use of this Offering Circular during the Offer Period by publishing on its website the following statement throughout the Offer Period (with the information in square brackets completed with the relevant information) (the **Acceptance Statement**):

*“We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the **Notes**) described in the Final Terms dated [insert date] (the **Final Terms**) published by London Stock Exchange Group plc (the **Issuer**). In consideration of the Issuer offering to grant its consent to our use of the Offering Circular (as defined in the Final Terms) and the Final Terms in connection with the offer of the Notes in [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Offering Circular, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Offering Circular) and confirm that we are using the Offering Circular accordingly.”*

The **Authorised Offeror Terms**, being the terms to which the relevant financial intermediary agrees in connection with using this Offering Circular, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Public Offer:

- I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**), including the Rules published by the FCA (including, but not limited to, its guidance for distributors in “*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*” and its sourcebook for “*Product Intervention and Product Governance*”) from time to time including, without limitation and in each case, Rules relating to both the target market for the Notes and the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor or relevant manufacturer;
- II. comply with the restrictions set out under “*Subscription and Sale*” in this Offering Circular which would apply as if it were a Dealer;
- III. acknowledge the target market and distribution channels identified under the “MiFID II Product Governance Legend” set out in the applicable Final Terms;
- IV. ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- V. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the FSMA and/or the Financial Services Act 2012;
- VI. comply with applicable anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- VII. retain Investor identification records for at least the minimum period required under the applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer, the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer and/or the relevant Dealer;
- VIII. ensure that it does not, directly or indirectly, cause the Issuer, or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- IX. immediately inform the Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- X. acknowledge the conditions to the consent referred to under “*Common conditions to consent*” below and any further requirements or other Authorised Offeror Terms relevant to the Public Offer as specified in the applicable Final Terms;
- XI. make available to each potential Investor in the Notes this Offering Circular (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Offering Circular and the applicable Final Terms;
- XII. if it conveys or publishes any communication (other than this Offering Circular or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that the Issuer and the relevant Dealer do not accept any responsibility for such communication and (C) does not, without the prior written consent of the Issuer

or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Notes on the basis set out in this Offering Circular;

- XIII. ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- XIV. co-operate with the Issuer and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (VII) above), if and to the extent permitted by the Rules, upon written request from the Issuer or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the relevant Dealer:
- (i) in connection with any request or investigation by the FCA or any other regulator in relation to the Notes, the Issuer or the relevant Dealer; and/or
 - (ii) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by the FCA and/or any other regulator of competent jurisdiction from time to time; and/or
 - (iii) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,
- in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;
- XV. during the period of the initial offering of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer; and
- XVI. either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- (B) agrees and undertakes to indemnify each of the Issuer and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer; and
 - (C) agrees and accepts that:

- I. the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use this Offering Circular and the applicable Final Terms with its consent in connection with the relevant Public Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
- II. subject to (IV) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;
- III. for the purposes of (C)(II) and (IV), the financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
- IV. to the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
- V. each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

The financial intermediaries referred to in paragraphs (a)(ii), (a)(iii) and (b) above are together the **Authorised Offerors** and each an **Authorised Offeror**.

Any Authorised Offeror falling within (b) above who wishes to use this Offering Circular in connection with a Public Offer is required, for the duration of the relevant Offer Period, to state on its website that it is using this Offering Circular for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto (in the form of the Acceptance Statement).

Common Conditions to Consent

The conditions to the Issuer's consent to the use of this Offering Circular in the context of the relevant Public Offer are (in addition to the conditions described in paragraph (b) above if Part B of the applicable Final Terms specifies "General Consent" as "Applicable") that such consent:

- (i) is only valid during the Offer Period specified in sub-section (v) of the paragraph entitled "Distribution" within Part B of the applicable Final Terms; and
- (ii) only extends to the use of this Offering Circular to make Public Offers of the relevant Tranche of Notes in the United Kingdom and/or Italy, as specified in sub-section (v) of the paragraph entitled "Distribution" within Part B of the applicable Final Terms.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Offering Circular.

The only Relevant Member States which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any Relevant Member States are so specified) as indicated in (ii) above, will be the United Kingdom and/or Italy, and accordingly each Tranche of Notes may only be offered to Investors as part of a Public Offer in the United Kingdom and/or Italy, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Arrangements between Investors and Authorised Offerors

IN THE EVENT OF ANY PUBLIC OFFER BEING MADE BY AN AUTHORISED OFFEROR, THE AUTHORISED OFFEROR WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE PUBLIC OFFER AT THE TIME THE PUBLIC OFFER IS MADE.

HOW DO I USE THIS OFFERING CIRCULAR?

You should read and understand fully the contents of this Offering Circular, including any documents incorporated by reference, and the relevant Final Terms before making any investment decision in respect of any Notes. This Offering Circular contains important information about the Issuer, the Group, the terms of the Notes, as well as describing certain risks relating to the Issuer, the Group and their businesses and also other risks relating to an investment in the Notes generally. An overview of the various sections comprising this Offering Circular is set out below.

The “*Important Information Relating to Public Offers of Notes*” section on page 11 contains important information regarding the basis on which this Offering Circular may be used for the purpose of making public offers of Notes.

The “*Summary of the Programme*” section on page 18 sets out in tabular format standard information which is arranged under standard headings and which the Issuer is required, for legal and regulatory reasons, to include in a summary for an offering circular of this type. This section also provides the form of the “issue specific summary” information, which will be completed and attached to the Final Terms relating to any Notes which are to be offered under the Programme.

The “*Risk Factors*” section on page 36 describes the principal risks and uncertainties which may affect the ability of the Issuer to fulfil its obligations under the Notes.

The “*Information About the Programme*” section on page 57 provides an overview of the Programme in order to assist the reader.

The “*How the Return on Your Investment is Calculated*” section on page 64 sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Notes.

The “*Documents Incorporated by Reference*” section on page 68 sets out the information that is deemed to be incorporated by reference into this Offering Circular. This Offering Circular should be read together with all information which is deemed to be incorporated into this Offering Circular by reference.

The “*Form of the Notes*” section on page 70 provides a summary of certain terms of the global Notes which apply to the Notes while they are held in global form by the clearing systems.

The “*Applicable Final Terms*” section on page 72 sets out the templates for the Final Terms that the Issuer will prepare and publish when offering any Notes under the Programme. Any such completed Final Terms will detail the relevant information applicable to each respective offer, amended to be relevant only to the specific Notes being offered.

The “*Terms and Conditions of the Notes*” section on page 92 sets out the terms and conditions which apply to any Notes that may be issued under the Programme. The relevant Final Terms relating to any offer of Notes will complete the terms and conditions of those Notes and should be read in conjunction with this section.

The “*Use of Proceeds*” section on page 126 describes the manner in which the Issuer intends to use the proceeds from issues of Notes under the Programme.

The “*Description of the Issuer*” section on page 134 provides certain information about the Issuer and its group structure, as well as the nature of the Group’s businesses. See also the “*Selected Financial Information*” section on page 127 for summary financial information relating to the Issuer.

The “*Alternative Performance Measures*” section on page 150 contains information about performance measures used by the Group which are not prepared in accordance with IFRS.

The “*Clearing and Settlement*” section on page 153 briefly sets out certain information relating to the clearing systems and settlements of securities in CREST.

The “*Taxation*” section on page 155 provides a brief outline of certain United Kingdom taxation implications regarding Notes that may be issued under the Programme, as well as certain other taxation considerations which may be relevant to the Notes.

The “*Subscription and Sale*” section on page 157 contains a description of the material provisions of the Dealer Agreement, which includes certain selling restrictions applicable to making offers of the Notes under the Programme.

The “*General Information*” section on page 161 sets out further information on the Issuer and the Programme which the Issuer is required to include under applicable rules. This includes the availability for inspection of certain documents relating to the Programme, confirmations from the Issuer and details regarding the listing of the Notes.

The “*Glossary*” and “*Definitions*” sections on pages 165 and 167 provide a glossary of certain technical terms used in this Offering Circular as well as an index of defined terms used in this Offering Circular.

A “*Table of Contents*” identifying each section of this Offering Circular with corresponding page references is included on the next page.

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of “not applicable”.

Section A — Introduction and warnings

| Element | Title | |
|---------|--|---|
| A.1 | Warning | <p>This summary must be read as an introduction to the Offering Circular and the applicable Final Terms. Any decision to invest in any Notes should be based on a consideration of the Offering Circular as a whole, including any documents incorporated by reference, and the applicable Final Terms. Where a claim relating to information contained in the Offering Circular and the applicable Final Terms is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Offering Circular and the applicable Final Terms before the legal proceedings are initiated. Following the implementation of the relevant provisions of Article 5.4 of Directive 2003/71/EC (as amended) (the <i>Prospectus Directive</i>) in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular and the applicable Final Terms or it does not provide, when read together with the other parts of the Offering Circular and the applicable Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes.</p> |
| A.2 | Consent to use of the Issuer’s Base Prospectus | <p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a Public Offer.</p> <p><i>Issue Specific Summary</i></p> <p>[Not Applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency).]</p> <p>[<i>Consent</i>: The Issuer consents to the use of the Offering Circular and the Final Terms in connection with a Public Offer of the Notes subject to the following conditions:</p> <p>(i) the consent is only valid during the period from [[] until] [[]/[Issue Date]]/[the date which falls [] business days thereafter]] (the Offer Period);</p> <p>(ii) the only Offerors authorised to use the Offering Circular to make the Public Offer of the Notes are the relevant [Dealer/Manager] and [(i) [] [and []]] and/or</p> |

| | | |
|--|--|---|
| | | <p>(ii) if the Issuer appoints additional financial intermediaries after [] (being the date of the Final Terms) and publishes details of them on its website, each financial intermediary whose details are so published]/[any financial intermediary which is authorised to make such offers under MiFID II which acknowledges on its website that it is relying on the Offering Circular and this Final Terms to offer the relevant Tranche of Notes during the Offer Period]; [and]</p> <p>(iii) the consent only extends to the use of the Offering Circular and this Final Terms to make Public Offers of the relevant Tranche of Notes in [] [and []]; [and]</p> <p>[(iv) the consent is subject to the following other condition[s]: []].</p> <p>[Any Offeror falling within sub-paragraph (ii) above who meets all of the other conditions stated above and wishes to use the Offering Circular and this Final Terms in connection with a Public Offer is required, at the relevant time, to publish on its website that it is relying on the Offering Circular and this Final Terms for such Public Offer with the consent of the Issuer].</p> <p>The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Offering Circular. The Issuer accepts responsibility, in the jurisdictions to which the consent to use this Offering Circular extends, for the content of this Offering Circular in relation to any investor who acquires any Notes in a Public Offer made by any person to whom consent has been given to use this Offering Circular in that connection in accordance with the preceding paragraphs, provided that such Public Offer has been made in accordance with all the Conditions attached to that consent.</p> <p>An investor intending to acquire or acquiring any notes in a public offer from an offeror other than the issuer will do so, and offers and sales of such notes to an investor by such offeror will be made, in accordance with any terms and other arrangements in place between such offeror and such investor including as to price, allocations and settlement arrangements.</p> <p>THE TERMS AND CONDITIONS OF ANY OFFER BY ANY AUTHORISED OFFEROR SHALL BE PROVIDED TO INVESTORS AT THE TIME SUCH OFFER IS MADE.</p> <p>The Issuer will not be a party to any arrangements between an investor and any Authorised Offeror in connection with the offer or sale of Notes and, accordingly, this Offering Circular does not contain any information relating to such arrangements. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to the investor at the relevant time. None of the Issuer, any other Authorised Offeror nor any Dealer has any responsibility or liability for such information.</p> |
|--|--|---|

Section B – Issuer

| Element | Title | |
|-------------|--|---|
| B.1 | Legal and commercial name of the Issuer Legal Entity Identifier (LEI) of the Issuer | The legal name of the Issuer is London Stock Exchange Group plc (the Issuer). The Issuer is a non-trading holding company with no commercial or trading name. The LEI of the Issuer is 213800QAUUUP6I445N30. |
| B.2 | Domicile/legal form/legislation/country of incorporation | The Issuer is a public limited company incorporated with limited liability under the laws of England and Wales. |
| B.4b | Trend information | Not Applicable; there are no known trends affecting the Issuer and the industries in which it operates. |
| B.5 | Description of the Group | The Issuer is the ultimate holding company of its consolidated |

| | | | | |
|-------------|---|--|-----------------------|--------------|
| | | subsidiaries taken as a whole (the Group). | | |
| B.9 | Profit forecast or estimate | Not Applicable; the Issuer has not made any profit forecasts or estimates. | | |
| B.10 | Audit report qualifications | Not Applicable; there are no qualifications contained within: (i) the audited consolidated financial statements of the Issuer as at and for the 12 months ended 31 December 2017; and (ii) the audited consolidated financial statements of the Issuer as at and for the 12 months ended 31 December 2016. | | |
| B.12 | Selected historical key financial information: The financial summary set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2017 and the unaudited interim condensed consolidated financial statements of the Issuer as at and for the six months ended 30 June 2018, respectively. The summary financial information should be read together with the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2017, and the unaudited interim condensed consolidated financial statements of the Issuer as at and for the six months ended 30 June 2018, respectively, each of which is incorporated by reference into this Offering Circular. | | | |
| | Consolidated Income Statement Financial year ended 31 December 2017 | Underlying | Non-underlying | Total |
| | | £m | £m | £m |
| | Continuing operations | | | |
| | Revenue | 1,768 | – | 1,768 |
| | Net treasury income through CCP business | 162 | – | 162 |
| | Other income | 25 | – | 25 |
| | Total income | 1,955 | – | 1,955 |
| | Cost of sales | (215) | – | (215) |
| | Gross profit | 1,740 | – | 1,740 |
| | Expenses | | | |
| | Operating expenses before depreciation, amortisation and impairment | (816) | (40) | (856) |
| | Profit on disposal of businesses..... | – | 7 | 7 |
| | Share of loss after tax of associates..... | (9) | – | (9) |
| | Earnings before interest, tax, depreciation, amortisation and impairment | 915 | (33) | 882 |
| | Depreciation, amortisation and impairment | (103) | (153) | (256) |
| | Operating profit/(loss) | 812 | (186) | 626 |
| | Finance income | 8 | – | 8 |
| | Finance expense | (70) | – | (70) |
| | Net finance expense | (62) | – | (62) |
| | Profit/(loss) before tax from continuing operations | 750 | (186) | 564 |
| | Taxation | (168) | 190 | 22 |
| | Profit/(loss) for the year from continuing operations .. | 582 | 4 | 586 |
| | Discontinued operations | | | |
| | Loss after tax for the year from discontinued operations .. | - | (25) | (25) |
| | Profit for the year | 582 | (21) | 561 |
| | Equity holders | | | |
| | Profit for the year from continuing operations | 513 | 17 | 530 |
| | Loss for the year from discontinued operations | – | (25) | (25) |
| | Profit/(loss) for the year attributable to equity holders..... | 513 | (8) | 505 |
| | Non-controlling interests | | | |
| | Profit/(loss) for the year attributable to non–controlling interests from continuing operations | 69 | (13) | 56 |
| | Profit for the year attributable to non–controlling interests from discontinued operations | – | – | – |
| | Profit/(loss) for the year attributable to non–controlling interests | 69 | (13) | 56 |

| | | | | |
|--|--|-------------------|-----------------------|--------------|
| | | 582 | (21) | 561 |
| | Earnings per share attributable to equity holders | | | |
| | Basic earnings per share..... | | | 146.4p |
| | Diluted earnings per share..... | | | 143.0p |
| | Adjusted basic earnings per share..... | | | 148.7p |
| | Adjusted diluted earnings per share..... | | | 145.3p |
| | | | | |
| | Earnings per share for continuing operations attributable to equity holders | | | |
| | Basic earnings per share..... | | | 153.6p |
| | Diluted earnings per share..... | | | 150.1p |
| | Adjusted basic earnings per share..... | | | 148.7p |
| | Adjusted diluted earnings per share..... | | | 145.3p |
| | | | | |
| | Dividend per share in respect of the financial year: | | | |
| | Dividend per share paid during the year..... | | | 14.4p |
| | Dividend per share declared for the year..... | | | 37.2p |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | Consolidated Income Statement | | | |
| | Financial year ended 31 December 2016 | Underlying | Non-underlying | Total |
| | | £m | £m | £m |
| | Continuing operations | | | |
| | Revenue..... | 1,515 | – | 1,515 |
| | Net treasury income through CCP business..... | 125 | – | 125 |
| | Other income..... | 17 | – | 17 |
| | Total income | 1,657 | – | 1,657 |
| | Cost of sales..... | (175) | – | (175) |
| | Gross profit | 1,482 | – | 1,482 |
| | Expenses | | | |
| | Operating expenses before depreciation, amortisation and impairment..... | (706) | (102) | (808) |
| | Share of loss after tax of associates..... | (5) | – | (5) |
| | Earnings before interest, tax, depreciation, amortisation and impairment | 771 | (102) | 669 |
| | Depreciation, amortisation and impairment..... | (85) | (157) | (242) |
| | Operating profit/(loss) | 686 | (259) | 427 |
| | Finance income..... | 7 | – | 7 |
| | Finance expense..... | (70) | – | (70) |
| | Net finance expense..... | (63) | – | (63) |
| | Profit/(loss) before tax from continuing operations | 623 | (259) | 364 |
| | Taxation | (140) | 39 | (101) |
| | | | | |
| | Profit/(loss) for the year from continuing operations | 483 | (220) | 263 |
| | Discontinued operations | | | |
| | Profit/(loss) after tax for the year from discontinued operations..... | 18 | (88) | (70) |
| | Profit/(loss) for the year | 501 | (308) | 193 |
| | Equity holders | | | |
| | Profit/(loss) for the year from continuing operations..... | 436 | (213) | 223 |
| | Profit/(loss) for the year from discontinued operations..... | 17 | (88) | (71) |
| | Profit/(loss) for the year attributable to equity holders..... | 453 | (301) | 152 |
| | Non-controlling interests | | | |
| | Profit/(loss) for the year attributable to non-controlling interests from continuing operations..... | 47 | (7) | 40 |

| | | | | |
|--|---|------------------|-----------------|-----------------|
| | Profit for the year attributable to non-controlling interests from discontinued operations..... | 1 | – | 1 |
| | Profit/(loss) for the year attributable to non-controlling interests | 48 | (7) | 41 |
| | | 501 | (308) | 193 |
| | Earnings per share attributable to equity holders | | | |
| | Basic earnings per share..... | | | 43.5p |
| | Diluted earnings per share..... | | | 42.6p |
| | Adjusted basic earnings per share | | | 129.7p |
| | Adjusted diluted earnings per share | | | 127.2p |
| | | | | |
| | Earnings per share for continuing operations attributable to equity holders | | | |
| | Basic earnings per share..... | | | 63.8p |
| | Diluted earnings per share..... | | | 62.5p |
| | Adjusted basic earnings per share | | | 124.7p |
| | Adjusted diluted earnings per share | | | 122.3p |
| | | | | |
| | Dividend per share in respect of the financial year: | | | |
| | Dividend per share paid during the year..... | | | 12.0p |
| | Dividend per share declared for the year..... | | | 31.2p |
| | | | | |
| | | | | |
| | Consolidated Balance Sheet | | | |
| | | As at | As at | As at |
| | | 30 June | 31 | 31 |
| | | 2018 | December | December |
| | | | 2017 | 2016 |
| | | £m | £m | £m |
| | | Unaudited | | |
| | Assets | | | |
| | | | | |
| | Non-current assets | | | |
| | Property, plant and equipment | 127 | 129 | 108 |
| | Intangible assets | 4,604 | 4,590 | 4,124 |
| | Investment in associates..... | 27 | 5 | 3 |
| | Deferred tax assets | 41 | 38 | 68 |
| | Derivative financial instruments | 8 | 4 | – |
| | Investments in financial assets | 30 | 86 | 28 |
| | Retirement benefit asset | 72 | 56 | 2 |
| | Other non-current assets..... | 60 | 55 | 88 |
| | | 4,969 | 4,963 | 4,421 |
| | Current assets | | | |
| | Inventories..... | – | – | 3 |
| | Trade and other receivables..... | 792 | 688 | 637 |
| | Derivative financial instruments | 1 | – | – |
| | CCP financial assets..... | 741,803 | 673,354 | 504,833 |
| | CCP cash and cash equivalents (restricted)..... | 73,340 | 61,443 | 53,553 |
| | CCP clearing business assets..... | 815,143 | 734,797 | 558,386 |
| | Current tax..... | 129 | 126 | 124 |
| | Investments in financial assets | 62 | 19 | 74 |
| | Cash and cash equivalents..... | 1,299 | 1,381 | 1,151 |
| | | 817,426 | 737,011 | 560,375 |
| | Assets held for sale..... | – | 6 | – |
| | Total assets | 822,395 | 741,980 | 564,796 |
| | Liabilities | | | |
| | Current liabilities | | | |
| | Trade and other payables..... | 785 | 598 | 601 |

| | | | | |
|--|--|----------------|--|--|
| | CCP clearing business liabilities | 815,125 | 734,981 | 558,478 |
| | Current tax | 108 | 70 | 61 |
| | Borrowings | 475 | 522 | 619 |
| | Provisions | 1 | 1 | 1 |
| | | 816,494 | 736,172 | 559,760 |
| | Non-current liabilities | | | |
| | Borrowings | 1,428 | 1,431 | 547 |
| | Derivative financial instruments | 27 | 29 | 19 |
| | Deferred tax liabilities | 490 | 502 | 705 |
| | Retirement benefit obligations | 16 | 36 | 75 |
| | Other non-current payables | 23 | 49 | 66 |
| | Provisions | 9 | 9 | 10 |
| | | 1,993 | 2,056 | 1,422 |
| | Total liabilities | 818,487 | 738,228 | 561,182 |
| | Net assets | 3,908 | 3,752 | 3,614 |
| | Equity | | | |
| | Capital and reserves attributable to the Company's equity holders | | | |
| | Ordinary share capital | 24 | 24 | 24 |
| | Share premium | 964 | 964 | 961 |
| | Retained earnings | 570 | 419 | 259 |
| | Other reserves | 1,864 | 1,820 | 1,862 |
| | Total shareholders' funds | 3,422 | 3,227 | 3,106 |
| | Non-controlling interests | 486 | 525 | 508 |
| | Total equity | 3,908 | 3,752 | 3,614 |
| | | | | |
| | Consolidated Cash Flow Statement | | Financial year ended 31 December 2017 | Financial year ended 31 December 2016 |
| | | | £m | £m |
| | Cash flow from operating activities | | | |
| | Cash generated from operations | | 852 | 618 |
| | Interest received | | 6 | 6 |
| | Interest paid | | (66) | (67) |
| | Corporation tax paid | | (130) | (315) |
| | Withholding tax paid | | (3) | (1) |
| | Net cash inflow from operating activities | | 659 | 241 |
| | Cash flow from investing activities | | | |
| | Purchase of property, plant and equipment | | (47) | (34) |
| | Purchase of intangible assets | | (143) | (112) |
| | Proceeds from sale of business | | 14 | 594 |
| | Cash disposed as part of the sale of business | | (5) | (185) |
| | Costs in relation to sale of a disposal group | | - | (12) |
| | Acquisition of businesses | | (644) | (1) |
| | Cash inflow from acquisition of businesses | | 4 | - |
| | Investment in associates | | (2) | (8) |
| | Proceeds from disposal of available for sale financial assets | | 7 | - |
| | Investment in government bonds | | (5) | (10) |
| | Dividends received | | - | 1 |
| | Net cash inflow/(outflow) from investing activities | | (821) | 233 |
| | | | | |

| | | | |
|--|---|--------------------------------------|--------------------------------------|
| | Cash flow from financing activities | | |
| | Dividends paid to shareholders | (159) | (130) |
| | Dividends paid to non-controlling interests | (19) | (15) |
| | Purchase of treasury shares relating to share buyback | (201) | - |
| | Redemption of preferred securities | (157) | - |
| | Acquisition of non-controlling interests | (111) | - |
| | Proceeds from investment by non-controlling interests | 12 | 20 |
| | Arrangement fee paid | (3) | (1) |
| | Purchase of own shares by employee benefit trust | (26) | (9) |
| | Proceeds from exercise of employee share options | 2 | - |
| | Proceeds from issue of shares | - | 1 |
| | Proceeds from issue of bonds | 885 | - |
| | Bond repayment | - | (250) |
| | Additional drawdowns from bank credit facilities | 242 | 317 |
| | Repayments made towards bank credit facilities | (87) | (614) |
| | Payments to shareholders on exercise of options | - | (3) |
| | Repayments of finance lease | - | (3) |
| | Net cash inflow/(outflow) from financing activities | 378 | (687) |
| | | | |
| | Increase/(decrease) in cash and cash equivalents | 216 | (213) |
| | Cash and cash equivalents at beginning of year | 1,151 | 1,176 |
| | Exchange gain on cash and cash equivalents | 15 | 188 |
| | Cash and cash equivalents at end of year | 1,382 | 1,151 |
| | | | |
| | Cash and cash equivalents at end of year from continuing operations | 1,381 | 1,151 |
| | Cash and cash equivalents classified as held for sale | 1 | - |
| | Cash and cash equivalents at end of year | 1,382 | 1,151 |
| | | | |
| | Condensed Consolidated Income Statement | Six months ended 30 June 2018 | Six months ended 30 June 2017 |
| | | £m | £m |
| | | Unaudited | Unaudited |
| | Continuing operations | | |
| | Revenue | 953 | 853 |
| | Net treasury income through CCP business | 104 | 75 |
| | Other income | 3 | 18 |
| | Total income | 1,060 | 946 |
| | Cost of sales | (106) | (102) |
| | Gross profit | 954 | 844 |
| | | | |
| | Expenses | | |
| | Operating expenses before depreciation and amortisation | (417) | (423) |
| | Profit on disposal of business | - | 5 |
| | Share of loss after tax of associates | (3) | (1) |
| | Earnings before interest, tax, depreciation and amortisation | 534 | 425 |
| | Depreciation and amortisation | (141) | (120) |
| | | | |
| | Operating profit | 393 | 305 |
| | Finance income | 6 | 4 |
| | Finance expense | (39) | (32) |
| | Net finance expense | (33) | (28) |
| | | | |

| | | | |
|--|---|--------------------------------------|--------------------------------------|
| | Profit before tax from continuing operations | 360 | 277 |
| | | | |
| | Taxation on profit before acquisition amortisation and non-recurring items | (101) | (88) |
| | Taxation on acquisition amortisation and non-recurring items | 24 | 19 |
| | Total taxation | (77) | (69) |
| | | | |
| | Profit for the financial period from continuing operations | 283 | 208 |
| | | | |
| | Discontinued operations | | |
| | Loss after tax for the period from discontinued operations | - | (22) |
| | Profit for the financial period | 283 | 186 |
| | | | |
| | Profit/(loss) attributable to: | | |
| | | | |
| | Equity holders | | |
| | Profit for the period from continuing operations | 246 | 175 |
| | Loss for the period from discontinued operations | - | (22) |
| | | 246 | 153 |
| | | | |
| | Non-controlling interests | | |
| | Profit attributable to non-controlling interests from continuing operations .. | 37 | 33 |
| | | 283 | 186 |
| | | | |
| | Earnings per share attributable to equity holders: | | |
| | Basic earnings/(loss) per share | 71.1p | 44.1p |
| | Diluted earnings/(loss) per share | 69.7p | 43.2p |
| | Adjusted basic earnings per share | 88.7p | 71.2p |
| | Adjusted diluted earnings per share | 87.0p | 69.8p |
| | | | |
| | Earnings per share for continuing operations attributable to equity holders: | | |
| | | | |
| | Basic earnings per share | 71.1p | 50.4p |
| | Diluted earnings per share | 69.7p | 49.4p |
| | Adjusted basic earnings per share | 88.7p | 71.2p |
| | Adjusted diluted earnings per share | 87.0p | 69.8p |
| | | | |
| | Dividend per share in respect of the financial period: | | |
| | Dividend per share paid during the period | 37.2p | 31.2p |
| | Dividend per share declared for the period | 17.2p | 14.4p |
| | | | |
| | | | |
| | Condensed Consolidated Cash Flow Statement | Six months ended 30 June 2018 | Six months ended 30 June 2017 |
| | | £m | £m |
| | | Unaudited | Unaudited |
| | Cash flow from operating activities | | |
| | Cash generated from operations | 375 | 357 |
| | Interest received | 1 | 3 |
| | Interest paid | (30) | (37) |
| | Corporation tax paid | (60) | (59) |
| | Withholding tax received/(paid) | 1 | (3) |
| | Net cash inflow from operating activities | 287 | 261 |
| | | | |
| | Cash flow from investing activities | | |
| | Purchase of property, plant and equipment | (14) | (27) |
| | Proceeds from disposal of property, plant and equipment | - | 5 |

| | | | |
|-------------|---|---|--------------|
| | Purchase of intangible assets..... | (76) | (61) |
| | Net receipt/(payment) on sale of a disposal group | 27 | (2) |
| | Acquisition of business, net of cash acquired..... | 3 | (118) |
| | Investments in associates | (27) | - |
| | Investments in government bonds | (3) | - |
| | Proceeds from divestment of government bonds | - | 14 |
| | Cash disposed on sale of a subsidiary | (2) | - |
| | Proceeds from disposal of investment in financial instruments | - | 7 |
| | Proceeds from disposal of business..... | 1 | 9 |
| | Net cash outflow from investing activities | (91) | (173) |
| | | | |
| | Cash flow from financing activities | | |
| | Dividends paid to shareholders | (129) | (109) |
| | Dividends paid to non-controlling interests | (39) | (18) |
| | Purchase of treasury shares relating to share buyback | - | (98) |
| | Acquisition of non-controlling interests..... | (70) | - |
| | Redemption of preferred securities | - | (155) |
| | Proceeds from own shares on exercise of employee share options | 3 | 1 |
| | Purchase of own shares by employee benefit trust..... | (4) | (5) |
| | Repayments of finance lease..... | (2) | - |
| | Proceeds from issue of commercial paper..... | 176 | - |
| | Additional drawdowns from bank facilities | - | 296 |
| | Repayments made on bank facilities..... | (227) | - |
| | Net cash outflow from financing activities | (292) | (88) |
| | | | |
| | Decrease in cash and cash equivalents | (96) | - |
| | Cash and cash equivalents at beginning of period from continuing operations..... | 1,381 | 1,151 |
| | Cash and cash equivalents at beginning of period classified as held for sale | 1 | - |
| | Exchange gain on cash and cash equivalents | 13 | 19 |
| | Cash and cash equivalents at end of period | 1,299 | 1,170 |
| | | | |
| | <i>Statements of no significant or material adverse change</i> | | |
| | There has been no significant change in the financial or trading position of the Issuer or the Issuer and its subsidiaries (as defined under section 1159 of the Companies Act 2006 (Subsidiaries)) since 30 June 2018 and there has been no material adverse change in the financial position or prospects of the Issuer or the Issuer and its Subsidiaries since 31 December 2017. | | |
| B.13 | Events impacting the Issuer's solvency | Not Applicable; there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency. | |
| B.14 | Dependence upon other group entities | The Issuer is a holding company with no material assets other than its equity interests in its Subsidiaries. Almost all of the Issuer's operations are carried out through its operating Subsidiaries. The Issuer's principal source of income is, and its ability to meet its financial obligations is therefore dependent upon the level of, dividends, loan repayments, distributions and other intercompany transfers of funds it receives from its operating Subsidiaries. There is no contractual obligation for its operating Subsidiaries to make regular dividend payments to the Issuer. | |
| B.15 | Principal activities | The Issuer's capital markets division comprises a broad range of international equity, fixed income and derivatives markets, including: London Stock Exchange plc (London Stock Exchange); Borsa Italiana S.p.A. (Borsa Italiana); MTS S.p.A. (MTS), one of Europe's leading fixed income markets; Turquoise Global Holdings Limited (Turquoise), a pan-European multilateral trading facility (MTF) and AIM, one of the world's leading growth markets for small and medium enterprises. Through its various platforms, the Group offers international businesses and investors unrivalled access to Europe's | |

| | | |
|-------------|--------------------------|--|
| | | <p>capital markets.</p> <p>Post trade and risk management services are a significant part of the Group's business operations. In addition to the Group's majority ownership of multi-asset global central clearing counterparties operator, LCH Group Holdings Limited (LCH), the Issuer operates Casa di Compensazione e Garanzie S.p.A. (CC&G), the Italian clearing house and Monte Titoli S.p.A. (Monte Titoli), a European settlement business, selected as a first wave participant in the European Central Bank's project to deliver a single central settlement process for securities belonging to Eurozone and other participating countries (TARGET2-Securities).</p> <p>The Group is a global leader in indexing and analytic solutions. FTSE Russell offers thousands of indexes that measure and benchmark markets around the world. In 2017, LSEG completed the acquisitions of Mergent, a leading provider of business and financial information on public and private companies, The Yield Book, a fixed income analytics platform, and Citi Fixed Income Indices, an index business comprising a family of fixed income indexes. The Group also provides customers with an extensive range of real-time and reference data products.</p> <p>The Group is a leading developer of high performance trading platforms and capital markets software for customers around the world. In addition to the Group's own markets, over 35 other organisations and exchanges use the Group's MillenniumIT Software Limited (MillenniumIT) for trading, surveillance and post trade technology.</p> |
| B.16 | Controlling shareholders | <p>As at 24 October 2018, the Issuer has been notified of the following interests amounting to more than 3 per cent. in the issued share capital of the Issuer in accordance with sections 791 to 828 of the Companies Act 2006 and the disclosure and transparency rules made by the Financial Services Authority, now the United Kingdom Financial Conduct Authority, under Part VI of the Financial Services and Markets Act 2000 (as amended) (the FSMA) (the Disclosure and Transparency rules): Qatar Investment Authority - 10.31 per cent., BlackRock, Inc. – 6.91 per cent., The Capital Group Companies, Inc. 6.81 per cent., Lindsell Train Limited - 5.00 per cent., Invesco Limited - 4.97 per cent. and Veritas Asset Management - 3.98 per cent.</p> |
| B.17 | Credit ratings | <p>The Issuer has been assigned long term debt ratings of A3 by Moody's and A- by S&P. The Programme has been rated A3 by Moody's and A- by S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> |

Section C – Securities

| Element | Title | |
|------------|---------------------------|---|
| C.1 | Description of Notes/ISIN | <p>The Notes described in this section are debt securities with a denomination of less than €100,000 (or its equivalent in any other currency). The Notes may be fixed rate Notes, floating rate Notes, zero coupon Notes or a combination of the foregoing.</p> <p>Issue specific summary: The Notes are [£/€/US\$/A\$/C\$/JPY/CHF/HK\$/] [[] per cent./floating rate/zero coupon] Notes due []. International Securities Identification Number (ISIN): []</p> |

| | | |
|-----|--|---|
| C.2 | Currency | <p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue.</p> <p>Issue specific summary: The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/US dollars (US\$)/Australian dollars (A\$)/Canadian dollars (C\$)/Japanese Yen (JPY)/Swiss Francs (CHF)/Hong Kong dollar (HK\$)/([)].</p> |
| C.5 | Restrictions on transferability | <p>Not Applicable; there are no restrictions on the free transferability of the Notes.</p> |
| C.8 | Rights attached to the Notes including ranking and limitations on those rights | <p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p>Status (Ranking) The Notes and the relative Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of the negative pledge) unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other outstanding unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.</p> <p>Taxation All payments in respect of Notes will be made without deduction for or on account of withholding taxes. In the event that any such deduction is required in respect of taxes imposed by or on behalf of the United Kingdom, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.</p> <p>Negative pledge The terms of the Notes contain a negative pledge provision which prohibits the Issuer from creating security interests over its undertakings and assets to secure certain indebtedness evidenced by (i) bonds, notes, debentures or other securities which are listed or traded on any stock exchange or any securities market or (ii) any guarantee or indemnity in respect of any such indebtedness listed in (i), subject to certain specified exceptions.</p> <p>Events of Default The terms of the Notes contain, amongst others, the following events of default, following the occurrence of which the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an extraordinary resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to the Trustee's satisfaction and, in the case of the happening of certain events, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall accordingly forthwith become immediately due and repayable:</p> |
| | | <ul style="list-style-type: none"> (a) default in payment of (i) any principal or (ii) interest due in respect of the Notes continuing for a period of 7 days; (b) failure to observe any of the other obligations under the Notes and the Trust Deed and the failure continues (except in any case where the Trustee considers the failure to be incapable of remedy where no continuation will be required) for a period of 30 days (or such longer period as the Trustee permits); (c) events relating to the winding up, dissolution, administration, bankruptcy, insolvency and creditor arrangements of the Issuer and certain material subsidiaries of the Issuer; |

| | | |
|-----|---------------------|---|
| | | <p>(d) (i) indebtedness for borrowed money of the Issuer or certain material subsidiaries of the Issuer being accelerated by reason of the occurrence of an event of default in relation to such indebtedness; or (ii) failure by the Issuer or any material subsidiary to make any payment in respect of indebtedness for borrowed money on the due date thereof or at the expiry of any applicable grace period; or (iii) any security given by the Issuer or certain material subsidiaries for certain types of indebtedness for borrowed money becoming enforceable and the holder thereof taking steps to enforce the same; or (iv) any payment due under any guarantee and/or indemnity of any such indebtedness for borrowed money given by the Issuer or certain material subsidiaries of the Issuer, when due and called upon save in any such case where there is a <i>bona fide</i> dispute as to whether payment or repayment is due, all subject to an aggregate threshold of £50,000,000.</p> <p>Meetings The terms of the Notes contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law English law.</p> |
| C.9 | Interest/Redemption | <p>Interest Notes may or may not bear interest. Interest bearing Notes will either bear interest payable at a fixed rate or a floating rate.</p> <p>Issue specific summary: [The Notes are Fixed Rate Notes. The Notes bear interest [from their date of issue/from the Interest Commencement Date/from []] at the fixed rate of [] per cent. per annum. The yield of the Notes is [] per cent. Interest will be paid [semi-annually/annually] in arrear on [] in each year. The first interest payment will be on [].] [The Notes are Floating Rate Notes. The Notes bear interest [from their date of issue/from the Interest Commencement Date/from []] at floating rates calculated by reference to [] [+/-] a margin of [] per cent. Interest will be paid [quarterly] in arrear on [], [], [] and [] in each year, subject to adjustment for non-business days. The first interest payment will be on [].] [The Notes are Zero Coupon Notes. The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p>Redemption: The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.</p> <p>Benchmark discontinuation: On the occurrence of a Benchmark Event the Independent Adviser (as defined in the Conditions of the Notes) may (subject to certain conditions and upon consultation with the Issuer) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments, in each case in accordance with Condition 4(e).</p> |

| | | |
|-------------|--|---|
| | | <p>Issue specific summary: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [] at [] per cent. of their nominal amount. The Notes may be redeemed early for tax reasons [or at the Issuer's option up to 90 days prior to the maturity date at [the Optional Redemption Amount]] [or at Issuer's option at par or, if higher, the price at which the gross redemption yield on the Notes is equal to the gross redemption yield on the reference bond rate and a margin of [] per cent.]</p> <p>Representative of holders HSBC Corporate Trustee Company (UK) Limited (the Trustee) will act as trustee for the holders of Notes. The Trustee may, without the consent of any holders and without regard to the interests of particular holders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of any holders that an event of default or potential event of default shall not be treated as such or (iii) the substitution of another company as principal debtor under the Notes in place of the Issuer.</p> |
| C.10 | Derivative component | Not Applicable; any Notes issued under the Programme with a minimum denomination of less than €100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) are not derivative securities. |
| C.11 | Listing and Admission to trading /Distribution | <p>Notes issued under the Programme will be listed and admitted to trading on the London Stock Exchange. Notes issued under the Programme may also be listed and admitted to trading on the Borsa Italiana's MOT.</p> <p>Issue specific summary: [Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to the official list of the UK Listing Authority and admitted to trading on the London Stock Exchange's regulated market [through the London Stock Exchange's electronic order book for retail bonds (ORB)] with effect from [].] [Application [has been][is expected to be] made by the Issuer (or on its behalf) for Notes to be admitted to the official list of the <i>Commissione Nazionale per le Società e la Borsa</i> (CONSOB) and to the Borsa Italiana for such Notes to be admitted to trading on Borsa Italiana's regulated market, and where relevant, through the electronic bond market (MOT) operated by Borsa Italiana.]</p> <p>Distribution: [The Notes may be offered to the public in [Italy and] the United Kingdom during the Offer Period.][The Notes are being sold only to [] [and []].]</p> |

Section D – Risks

| Element | Title | |
|---------|--------------------------------|---|
| D.2 | Key risks regarding the Issuer | <p>The following is a summary of the key risks relating to the Issuer:</p> <ul style="list-style-type: none"> • The operating results of the Group are highly dependent upon the performance of the global economy and thus the level of global financial activity, as well as the individual market capitalisations of the issuers listed or admitted to trading on the markets that the Group operates, for much of its revenues. The Group will be subject to certain macroeconomic and political events which may impact the Group’s operating environment and business model. • The United Kingdom’s impending departure from the European Union introduces significant uncertainty concerning the political and regulatory environment, the UK’s future relationship with the EU and the overall impact on the UK economy both in the short and medium term. This could adversely affect the Group. • The Group faces competition from a variety of sources across its four main business divisions: Capital Markets, Post Trade Services, Information Services and Technology Services. |
| | | <ul style="list-style-type: none"> • The Group is subject to detailed and comprehensive regulation and legislation in each of the geographical locations in which the Group operates. Changes in and additions to the rules and regulations affecting exchanges, other trading venues, clearing houses, index administrators, central securities depositories, trade repository and other regulated entities could require the Group to change the manner in which its exchanges and authorised firms conduct their respective businesses or govern themselves. Such changes could extend regulatory restrictions to areas of the Group’s businesses that to date have not been regulated. Changes in regulation may result in increased capital requirements for one or more entities in the Group. • There is a risk that the Financial Conduct Authority (the FCA) determines in the future that the Issuer constitutes a financial holding company (FHC) under the Capital Requirements Directive and Capital Requirements Regulation. If the Issuer is determined to be a FHC this will result in significantly increased regulatory capital requirements for the Group. • Changes in and complexity of tax law may adversely affect the Group. Further, the proposed introduction of an EU financial transaction tax (FTT) and/or a tax on high frequency trading could adversely affect the Group. • The Group operates sophisticated technology platforms and service management processes in conjunction with external suppliers. If any of the technology platforms or service processes were to fail, this could adversely affect the business, financial condition and operating results of the Group. • An operational failure of one of the Group’s clearing or settlement services may adversely affect the Group’s reputation, business, financial condition and operating results. The Group central clearing counterparties (CCPs) are also exposed to the risk of default by a clearing member or a third party central counterparty and by liquidity risk. • A significant proportion of the revenues of certain business segments of the Group will be derived from a limited number of major customers. The loss of these major customers for any reason could have a material adverse effect on the Group’s future operating results and financial condition. • The Group may be subject to increased costs of doing business and other risks as it expands geographically. |

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| | | <ul style="list-style-type: none"> • A number of the Group’s businesses have iconic national brands. The strong reputation of the Group’s businesses and brand names are a key competitive strength. Any events or actions that damage the reputation or brands of the Group could adversely affect its business, financial condition and operating results. • New business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties represent a material part of the Group’s strategy for growth. The Group’s ability to successfully implement these may be adversely impacted by a number of factors, including regulation, anti-trust and political considerations. • The Group may not always successfully manage actual or potential conflicts of interest that arise in its business. • Failure to retain and attract key personnel could have adverse consequences for the Group. |
| | | <ul style="list-style-type: none"> • The Group may not be able to refinance or renew its long-term credit facilities on acceptable terms and may not be able to pursue new opportunities or initiatives if it cannot secure financing. Any replacement financing may impose more onerous obligations with respect to interest and covenants than are applicable to the Group’s current term borrowing facilities. • The Group operates in a business environment that continues to experience significant and rapid technological change. If the Group is unable to continue improving or to successfully develop and implement new technologies, or if its technological investment proves unsuccessful, it could result in a loss of customers. • Any reduction in the Group’s credit rating could impact the Group’s ability to obtain funding and its relationship with counterparties. • A failure to protect the Group’s proprietary software, intellectual property rights, or allegations that it has infringed intellectual property rights of others, could adversely affect its reputation and ability to compete effectively. • The Group is exposed to foreign exchange and interest rate fluctuations as well as to third party credit risk. • The Group depends on a number of third party suppliers and distributors, such as post trade and regulatory service providers, data processors, software and hardware suppliers, index providers, other exchange groups, communication and network suppliers and distributors and suppliers of electricity and for its trading, data, post trade and other systems. • The Group’s networks and those of its third party service providers may be vulnerable to security risks, cyber attack or other leakage of sensitive data. • The Group is subject to significant litigation risks and other liabilities. |
| D.3 | Key risks regarding the Notes | <ul style="list-style-type: none"> • The Notes are not protected by the UK Financial Services Compensation Scheme; • The Issuer is dependent on its subsidiaries to meet its payment obligations under the Notes; • There may be no or only a limited secondary market in the Notes; • The Conditions of the Notes may be modified without the consent of the holder in certain circumstances; • The value of Notes may be affected by a change in law, regulation or administrative practice; • The value of an investor’s investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor’s own currency; and |

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| | | <ul style="list-style-type: none"> • A holder of the Notes may not receive the full amount of payments due in respect of Notes should the Issuer be required to hold or deduct amounts at source on account of tax from such payments in order to comply with applicable law. <p>There are also a range of risks that may apply, depending on the structure of the particular Notes being issued, including:</p> <ul style="list-style-type: none"> • changes in prevailing interest rates and inflation could affect the value of the Notes; • the Notes may be subject to early redemption, which may limit their market value; |
| | | <ul style="list-style-type: none"> • investors who purchase the Notes in denominations which are not an integral multiple of the Specified Denomination will be adversely affected if definitive Notes are subsequently required to be issued; • investors who hold CDIs may experience different rights and returns than those who do not; and • any credit rating assigned to the Notes may not adequately reflect all risks associated with an investment in the Notes. <p>Issue specific summary: The Notes are subject to the following key risks:</p> <ul style="list-style-type: none"> • the Notes are not protected by the UK Financial Services Compensation Scheme; • there may be no or only a limited secondary market in the Notes; • the Conditions of the Notes may be modified without the consent of the holder in certain circumstances; • the value of Notes may be affected by a change in law, regulation or administrative practice; • the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency; • Noteholders may not receive the full amount of payments due in respect of the Notes should the Issuer be required to hold or deduct amounts at source on account of tax from such payments in order to comply with applicable law; • [investors who purchase the Notes in denominations which are not an integral multiple of the Specified Denomination will be adversely affected if definitive Notes are subsequently required to be issued;] • [Noteholders will hold interests in the Notes through CREST through the issuance of CDIs. As such, Noteholders may experience different rights and returns;] • [the credit rating assigned to the Notes may not adequately reflect all risks associated with an investment in the Notes;] • [changes in prevailing interest rates and inflation could affect the value of the Notes;] • [the Notes are subject to early redemption, which may limit their market value;] [and] • [Notes with interest linked to a benchmark are vulnerable to changes in or discontinuation of that benchmark. In such an event, the provisions of Condition 4(e) of the Conditions of the Notes, allowing the Issuer to substitute or adjust a relevant benchmark, may become operative.] |
| D.6 | Risk warning | <p>Issue specific summary: [Not Applicable; the Notes will be redeemed at [at least] 100 per cent. of their nominal amount.]</p> |

Section E – Offer

| Element | Title | |
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| E.2b | Use of proceeds | The net proceeds from each issue of Notes may be applied by the Issuer for refinancing of indebtedness and for its general corporate purposes or may be applied for particular uses, as determined by the Issuer. If, in respect of an issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. |
| E.3 | Terms and conditions of the offer | <p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealer at the time of issue.</p> <p>Issue specific summary: [Not Applicable; the Notes are in denominations of at least €100,000 (or its equivalent in any other currency).]</p> |
| | <p>Offer Price:</p> <p>Conditions to which the offer is subject:</p> <p>Offer Period:</p> <p>Description of the application process:</p> <p>Details of the minimum and/or maximum amount of application:</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</p> <p>Details of the method and time limits for paying up and delivering the Notes:</p> <p>Manner in and date on which results of the offer are to be made public:</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</p> <p>Whether tranche(s) have been reserved for certain countries:</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</p> <p>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</p> | <p>[An investor intending to acquire or acquiring any Notes from an Offeror other than the Issuer will do so, and offers and sales of Notes to an investor by such Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such investor including as to price, allocations and settlement arrangements.]</p> <p>[The Issue Price] [Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[The period from [] until []/the Issue Date]/[the date which falls [] Business Days thereafter]]</p> <p>[Not Applicable] []</p> <p>[]</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[Not Applicable] []</p> <p>[None] []</p> |

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| | Categories of potential investors to which the Notes are offered: | [] |
| E.4 | Interest of natural and legal persons involved in the issue/offer | <p>The relevant Dealer(s) may be paid fees in relation to any issue of Notes under the Programme.</p> <p>Issue specific summary: [The [Dealers/Managers] will be paid aggregate commissions equal to [] per cent, of the nominal amount of the Notes.] Any [Dealer/Manager] and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]</p> |
| E.7 | Expenses charged to the investor by the Issuer or an offeror | <p>The Issuer will not charge you any expenses relating to an application for or purchase of any Notes.</p> <p>Further, the Issuer will not charge any expenses to investors purchasing from Authorised Offerors in connection with any issue of Notes under the Programme. Authorised Offerors may, however, charge expenses to such investors. Such expenses (if any) and their terms will be determined by agreement between the relevant Authorised Offeror and the investors at the time of each issue of Notes.</p> <p>Issue specific summary: [Not Applicable. No expenses are being charged by the Issuer to investors purchasing from Authorised Offerors in connection with the issue of the Notes.]</p> |

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should consider carefully the factors and risks associated with any investment in the Notes, the business of the Group and the industry in which the Group operates, together with all other information contained in this Offering Circular including, in particular, the risk factors described below. Prospective investors should note that the risks relating to the Group, its industry and the Notes summarised in the section of this document headed “Summary of the Programme” are the risks the Issuer believes to be the most significant to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary of the Programme” but also, among other things, the risks and uncertainties described below.

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

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision. Investors should consider carefully whether an investment in the Notes is suitable for them in the light of the information in this document and their personal circumstances.

Words and expressions defined in the sections headed “Terms and Conditions of the Notes” and “Definitions” shall have the same meanings in this section.

RISKS RELATING TO THE BUSINESS OF THE ISSUER AND THE GROUP

Economic, political and social factors that influence the level of activity in global financial markets are beyond the Group’s control and may adversely affect its financial condition.

The operating results of the Group are highly dependent upon the level of global financial activity. Many of the factors that influence the levels of primary market issuances, together with issuers’ market capitalisations, and secondary market trading, utilisation of post trade services and demand for information services (including data and index services), are beyond the control of the Group but have the potential to adversely affect the business, financial condition and operating results of the Group. Factors which could impact the Group include:

- economic, political and geopolitical conditions;
- inflation or deflation;
- trends in business and corporate finance, including in the broad investment strategies adopted by large financial institutions, investment houses and other fund managers across different asset classes;
- macro-economic changes in global or regional demand or supply shifts for equity, derivatives, fixed income, over-the-counter (OTC) products, commodities and other capital markets products and services;
- changes in the financial standing of customers of the Group’s businesses;
- the liquidity of financial markets and individual asset classes within the financial markets;
- changes in government, fiscal and monetary policies;

- legislative and regulatory changes, including any direct or indirect restrictions on (or increased costs associated with), trading and clearing in, and participant access to, relevant markets and the provision of information services, including those impacting the Issuer and/or the Group's customers and clients;
- changes in market infrastructure and practice;
- levels of volatility in global markets;
- economic sanctions or other restrictive economic measures; and
- any change or development in global, national or regional political conditions, external events such as acts of terrorism, cyber-crime or any outbreak of hostilities or war and natural disasters.

In addition, the potential strain on financial institutions resulting from a financial crisis, either within the United Kingdom, the Eurozone or globally, would increase the risks to the Group. The default of a sovereign issuer or a lack of market confidence in certain categories of securities (for example, euro-denominated government debt instruments) could lead to adverse effects on fixed income trading and associated clearing volumes. Further, decreased financial stability in the United Kingdom, the Eurozone or elsewhere could reduce the amount of investment and trading from relevant market participants in the trading venues in which the Group operates and provides related services, reducing demand from such services from the Group.

Any of the above could adversely affect the Group's business, financial condition and operating results.

The Group is subject to risks associated with the United Kingdom's impending departure from the European Union

On 29 March 2017, the UK gave notice under Article 50 of the Treaty on European Union of the UK's intention to withdraw from the EU (**Brexit**). Brexit negotiations between the UK and the EU continue but the UK's final exit terms remain unclear. A draft Withdrawal Agreement agreed by the negotiators and published in March 2018 provided for a 21 month transition arrangement after the Article 50 exit date in March 2019; this, however, is subject to final approval by a number of bodies within both the UK and EU. On 12 July 2018, the UK Government released a White Paper on the future relationship between the UK and the EU. The section on financial services focused on an enhanced equivalence model for financial services, rather than passporting or mutual recognition. Although this provided further clarity around the UK's negotiating position, there remain several issues to be resolved with the EU or risk a 'no deal' scenario. Negotiations are ongoing to determine the terms of the UK's exit and over time these are expected to address the future terms of the UK's relationship with the EU, including the terms of trade between the UK and the EU. Regulated firms including Group companies are dependent on EU regulation to conduct regulated activities in the EU or with customers in the EU, and the impact on these firms will depend on whether transitional arrangements are agreed in the near term, and the extent to which the UK is able to negotiate continued access and the speed that it can do so.

In the absence of a transitional period, these arrangements would need to be agreed before the UK exits from the EU. In the absence of an agreement, a "hard" Brexit could lead to legal uncertainty and potentially divergent national laws and regulations. Brexit could adversely affect UK, European or global economic market conditions and could introduce significant uncertainty concerning the political and regulatory environment, the UK's future relationship with the EU and the overall impact on the UK, EU and global economy both in the short and medium term. Whilst the Group is executing contingency plans to maintain continuity of service to our customers and the orderly functioning of markets, the complexity and the lack of clarity of the application of regulations in the event of a "hard" Brexit scenario may decrease the effectiveness, or applicability, of some of these contingency plans. Any of these effects of Brexit, and others the Group cannot anticipate, could adversely affect the Group's business, results of operations, financial condition and cash flows, and could negatively impact the value of any Notes issued under the Programme.

The Group faces competition from a variety of sources across its four main business divisions: Capital Markets, Post Trade Services, Information Services and Technology Services

The areas of the financial industry in which the Group operates are highly competitive, and the Group faces significant competition from a number of sources for the products and services that it offers. Competition has been intensified as a result of increasing competition for primary listings and capital raising from other global exchanges, trends towards open access and technological innovation. Globalisation of world capital markets has

resulted in greater mobility of capital, greater international participation in local markets and further competition among markets in different geographical areas, as well as consolidation of the industry by mergers and business combinations.

The Group competes with other market participants in a variety of ways, including the cost, quality and speed of trade execution, liquidity, functionality, ease of use and performance of trading systems, the ranges of products and services offered to trading participants and listed companies, technological innovation and reputation. The pricing model for listings, trade execution, clearing, settlement, custody and collateral management, index and information services and technology, has changed in response to competitive market conditions, as competitors continue to engage in aggressive pricing strategies, including lowering the fees that they charge for taking liquidity and increasing liquidity (or offering rebates) as an incentive for providers of liquidity in certain markets, which is expected to continue in the future. In particular, competitors may be able to exploit regulatory disparities between traditional, regulated exchanges and alternative markets, platforms, CCPs, CSDs, trade repositories or information service providers that benefit from a reduced regulatory burden and lower-cost business model or consolidate and form alliances, which may create greater liquidity, lower costs, and more attractive pricing models to customers than the Group can offer.

If the Group is unable to adapt to changing market pressures or customer demands, maintain its market share given the intense competition, or is forced to reduce pricing in response to competition, its revenues and profit margins could decline. In addition, a decrease in the market share in the listing, trading, clearing, settlement, custody and collateral management, or index and information services and technology businesses could adversely impact other business segments, which may be seen by current and prospective customers as less valuable, any of which could have a material adverse effect on the Group's business, cash flows, financial condition and results of operations.

The Group intends to continue to explore and pursue opportunities to strengthen and grow its business. In doing so, the Group may launch new products and enter into new markets or increase its presence in existing services and geographic markets that already possess established competitors, including newly developing areas of competition, where competitors may be subject to less regulation, and where demand for such services is subject to uncertainty.

As a result of these initiatives, the Group may spend substantial time and money developing new products or improving current product offerings and, if not successful, the Group may miss potential market opportunities and may not be able to offset the cost of such initiatives. If the Group is unable to expand its business to successfully launch new products, identify and pursue opportunities and therefore effectively compete with its competitors, this could have a material adverse effect on its business and cash flows, financial condition and results of operations.

The Group operates in highly regulated markets and industry sectors which may restrict the operations of the Group.

A substantial part of the Group's business involves operations in regulated markets and related financial services industry sectors and is subject to extensive oversight by governmental, competition and regulatory bodies at European and national levels. Such regulation and oversight:

- may limit the Group's ability to provide certain of its current or planned services and/or to build an efficient, competitive organisation and may also limit its ability to expand foreign and global access to its markets and services;
- may limit the Group's ability to outsource certain of its activities;
- may place financial and corporate governance restrictions on the Group as a whole and/or specific entities within the Group;
- may significantly increase compliance and associated costs of the Group or result in fines; and
- may materially increase the costs of, and restrictions associated with, trading, clearing and/or other activities of the Group and this could decrease trading and clearing volumes and/or the revenues and profits of Group businesses.

Such restrictions, restraints, constraints and costs could materially adversely affect the Group's business, financial condition and operating results.

There is also a risk that one or more of the Group's regulated entities may inadvertently or due to factors outside of its control fail to comply with laws and regulatory conditions and obligations to which it is subject or to which it may become subject in the future. The Group believes that it maintains adequate systems and controls for compliance with such conditions and obligations, but there can be no assurance that these systems and controls are sufficient. In the event of non-compliance, the regulated entity in question may be subject to censures, fines and other legal, regulatory or administrative proceedings. In extreme circumstances these investigations and proceedings may result in substantial criminal and/or civil sanctions, fines and penalties, and a competent regulator could revoke one or more Group entity's authorisations, regulatory approvals or exemptions to conduct regulated activities that the Group or its entities rely on in order to conduct their business.

The Group operates exchanges and other trading venues, CCPs, CSD Services, index administrators, information services providers, trade repositories and other regulated entities in multiple jurisdictions, in particular in the United Kingdom, the United States, Italy and France. The Group's initiatives in these jurisdictions with regulatory implications must generally be approved by the relevant authorities in each of these countries. The Group may from time to time seek to engage in new business activities, some of which may require changes to the organisational documents of its exchanges, other trading venues, CCPs, CSD Services, trade repositories and/or other regulated entities or rules that may also require approvals by the relevant regulatory authority. In addition, the Group may wish to expand its current activities or commence new activities which may require further licences or approvals.

Any delay or failure to obtain the requisite regulatory approval could cause the Group to lose strategic business opportunities, slow its ability to integrate its different markets or slow or impede its ability to change its governance practices. The Group's competitive position could be significantly weakened if its competitors are able to obtain regulatory approval for new functionalities faster, or with less cost or difficulty, or if approval is not required for such competitors.

Any of these risks could have a material adverse effect on the Group's business and cash flows, financial condition and operating results.

Changes and developments in applicable regulations or requirements may have a negative impact on the Group's business.

A number of regulatory initiatives and changes have been identified or proposed or are being implemented by regulators in the jurisdictions in which the Group operates.

However, the Group cannot be certain whether, or in what form, regulatory changes will take place and cannot predict with certainty their impact on its businesses and operations.

Regulatory developments could extend regulatory restrictions to areas of the Group's businesses and markets that to date have not been regulated or regulated to the same extent. Such developments may affect the markets in which the Group operates and may impose new regulatory requirements on the Group and its clients or customers. These regulatory initiatives could also impose capital requirements and proprietary trading restraints on market participants, which could constrain the level of activity on the Group's markets. Such changes may also make it more difficult or more costly for the Group to maintain compliance with relevant regulations and for relevant markets within the Group to operate their existing businesses or to enter into new business areas. In addition, high levels of regulation may impact growth and innovation in capital markets generally and may adversely affect the Group's business, financial condition and operating results.

(i) Recovery and Resolution

The single supervisory mechanism (the **SSM**) and the single resolution mechanism (the **SRM**) impact the regulation of LCH SA, which is currently regulated as both an EMIR authorised CCP and a credit institution. The SSM enables the ECB to carry out, in coordination with national competent authorities, key supervisory tasks for banks in the EU Member States participating in the banking union. It also provides the ECB with investigatory and enforcement powers. The SRM, which also applies to all banks in those Member States that participate in the banking union, allows bank resolution to be managed through a single resolution board and a

single resolution fund, which is composed of contributions from credit institutions and certain investment firms in the 19 participating Member States within the banking union. The introduction of these mechanisms means that LCH SA is subject to supervision and resolution powers at the EU, as well as national, level.

The Bank Recovery and Resolution Directive or BRRD (as defined in the “*Definitions*” section of this Offering Circular) provides for the introduction of a package of minimum early intervention and resolution-related tools and powers for relevant authorities in EU Member States and for special rules for cross-border groups. The BRRD has been implemented in the UK inter alia by amendments to the Banking Act 2009 (the **2009 Act**). The UK also has a resolution regime, based on the 2009 Act, which applies to UK CCPs including LCH Ltd.

Under the 2009 Act, actions may be taken by the UK Treasury or the Bank of England (**BoE**) in respect of the Issuer or its subsidiaries, in order to address a situation where all or part of the business of LCH Limited or certain investment firms in the Group is failing, or is likely to fail. The 2009 Act gives the BoE certain wide powers to take stabilisation measures contemplated by the 2009 Act and to support resolution measures taken by resolution authorities in other EU Member States, and in some cases, third countries. These powers, which apply regardless of any contractual restrictions, include a bail-in tool, which permits the BoE in certain circumstances to cancel or modify certain liabilities of relevant entities and/or to convert certain liabilities of such entities into different forms. Exercise of powers under the 2009 Act might have a material adverse effect on all or part of the Group’s business.

The European Commission has also published a proposal for a recovery and resolution regime for CCPs in the EU, which is currently being discussed. This proposal, if implemented, could lead to increased costs for CCPs and, if resolution authorities identify barriers to resolvability, requirements on CCPs to take appropriate measures to address such barriers, including changes to operational or legal structure or to its pre-funded loss-absorbing resources.

(ii) EMIR and CCP supervision

As envisaged by the legislation, various aspects of EMIR were reviewed by the European Commission and Delegated Regulation (EU) 2017/104 (**Revised EMIR Regulation**) introduces a number of amendments to EMIR, including new rules on the reporting of a contract composed of a combination of several other derivative contracts, new rules on the reporting of a previously reported contract which is subsequently cleared by a CCP and new rules for the reporting of collateral exchanged by the counterparties, including specifying what exactly should be reported, by whom, and how it should be valued.

In May and June 2017, the European Commission issued two proposals, respectively to review (i) EMIR transaction-level requirements and (ii) the supervisory framework applicable to EU and third country CCPs (which, following Brexit, should include UK CCPs such as LCH Limited). These reviews and in particular, the proposal to introduce the option to impose enhanced supervision and potentially deny the recognition to third country CCPs that are systemically important for the financial stability of the EU (**Tier 2 CCPs**), could have a negative impact on the Group’s CCPs. While the rules are yet to be finalised, the proposals, if adopted, would subject Tier 2 CCPs to EMIR requirements for CCPs (or their home state rules if these are considered comparable), to direct supervision by ESMA and to certain potential additional requirements imposed by the EU Central Banks of Issue. In parallel, the Governing Council of the ECB has adopted a recommendation to amend Article 22 of the Statute of the European System of Central Banks and of the European Central Bank. The amendment would provide the ECB with a clear legal competence in the area of central clearing, which would pave the way for the Eurosystem to exercise the powers that are foreseen for central banks issuing a currency under the review of EMIR proposed by the European Commission.

(iii) Capital requirements, MiFID II, CSDR and benchmarks

The European Commission has published proposals for revisions to CRD IV (commonly known as **CRD V**) which are undergoing review by the European Parliament and the Council of the EU. The proposals include revisions of the leverage ratio that could have positive impacts on the capacity of LCH Group clearing members to provide client clearing services.

MiFID II and MiFIR have impacted the regulation of the EU trading venues operated by the Group. Amongst the requirements introduced by MiFID II and MiFIR are provisions which are intended to increase transparency in the fixed income and derivatives markets, subject high frequency algorithmic trading to greater regulatory scrutiny, seek to increase open access between CCPs, trading venues and relevant benchmarks and their

providers, require increased disaggregation of data products and regulate aspects of data pricing with the aim of promoting greater transparency and reducing data costs across Europe. MiFID II and MiFIR will also affect market participants that use the trading services of the Group.

CSDR has introduced an EU regulatory regime for CSDs and the settlement of transactions in financial instruments in the EU. The implementation of the mandatory buy-in regime is expected to have impacts on market liquidity and the settlement processes of the Group.

The European Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the **EU BMR**) came into effect on 1 January 2018. The EU BMR establishes a pan-European benchmark regulatory regime specifically directed at the European Economic Area, based on the IOSCO Principles, but with a wider scope in respect of benchmarks.

Delegated regulations which have been and are being developed under MiFID II, CSDR and other recent EU legislation may have an impact on the Group's and other industry participants' current product and service offerings. Such changes could have a negative impact on the Group's business, financial condition and operating results. Changes in and additions to the rules and regulations affecting central counterparties, exchanges or trading venues or other Group businesses subject to regulation, could require the Group to change the manner in which the Group conducts its businesses or governs itself.

Regulatory capital requirements may negatively affect the Group's business and are subject to change.

In order to maintain their regulatory status, certain of the regulated entities within the Group are subject to minimum capital requirements. The regulatory capital regimes vary by jurisdiction and form of regulatory status. In some cases, entities within the Group are subject to customised regulatory capital regimes which differ from those of banks, broker-dealers or other investment firms, while certain firms in the Group are subject to the regulatory capital requirements applicable to investment firms and credit institutions established by CRD IV. In contrast, other entities within the Group are subject to or may become subject to regulatory capital requirements (including under EMIR) that may require relevant entities to retain surplus capital, leading to capital inefficiencies within the Group.

Any changes to the financial resources requirements applicable to the Group arising out of any future consultation by or discussions with regulators and any other changes in the regulatory capital regimes applicable to one or more entities within the Group may result in increased capital requirements for one or more entities within the Group or for the Group as a whole, which may adversely affect the Group's ability to deliver its strategy, impact its financial condition, operations and results as a whole.

If any increase in the capital requirements for one or more entities within the Group or for the Group as a whole is significant, the Group may be required to raise further capital by an equity issuance or other appropriate financing in order to ensure compliance with the regulatory capital requirements to which the Group is subject. There is a risk that future economic and market conditions may prevent the Group from completing such financing and/or allocating suitable capital within any timeframe required. Any failure to do so may lead to the relevant entity or the Group being subject to regulatory or other restrictive measures, including the revocation of operating licences, and may, over the long term, adversely affect the Group's reputation, its business and cash flows, financial condition and operating results.

The Issuer may become a financial holding company in the future which will result in the Group being required to hold significantly more regulatory capital.

The Issuer has in the past held discussions with its regulators regarding the application of the group consolidation requirements under CRD IV to the Group. Under CRD IV, group consolidation and group capital requirements will apply to the Issuer should it become a financial holding company for the purposes of CRD IV in any Member State of the EU (an **FHC**). The definition of FHC as set out in the Capital Requirements Regulation includes whether the Issuer's subsidiaries are "exclusively or mainly" credit institutions, investment firms or financial institutions.

There is a risk that the Issuer could become an FHC at some point in the future if the regulators determine its subsidiaries have become "exclusively or mainly" credit institutions, investment firms or financial institutions. This will depend in part on the balanced size, growth and expansion of the business of the subsidiaries in the

Group that are credit institutions, investment firms or financial institutions relative to those that are not, and the exercise of discretion by the Issuer's regulators in applying these requirements.

If the Issuer becomes an FHC in the future this will result in significantly increased regulatory capital requirements for the Group (and the more extensive application of other regulations such as the BRRD). If the Issuer were to become an FHC in the future this could have a material adverse effect on the Group's business, financial condition and operating results.

The Group may be affected by the proposed introduction of an EU financial transaction tax (FTT) and/or a tax on high frequency trading.

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each, other than Estonia, a **participating Member State**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

In January 2017 the European Council released a statement that a draft text for the FTT could be ready by mid 2017 however no such draft was published. The FTT proposal and the scope of any such tax remains subject to negotiation between the participating Member States and additional EU Member States may also decide to participate. It is therefore not possible to predict what effect the proposed FTT might have on the business of the Group. The tax could adversely affect the business of the Group, as it might, for example, increase costs of trading or clearing in the markets in which the Group operates and for this or other reasons cause (i) a decrease in trading or clearing volumes and/or (ii) a shift of trading to foreign markets outside Europe, either of which might lead to a fall in demand for the Group's trading and clearing services, which may impact the Group's market share or pricing structures. Taxes on high frequency trading which may be introduced in the future may similarly affect the Group's business, financial condition and operating results.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The Group is highly dependent on the development and operation of sophisticated technology and advanced information systems; these systems and related development projects may fail or be subject to disruption.

The provision of platforms for the execution, clearing and settlement, as applicable, of trades on the Group's markets and for the collection and aggregation of trade and price information predominantly depends on technology that is secure, stable and performs to high levels of availability and throughput at low latency. The Group operates sophisticated technology platforms and service management processes in conjunction with external suppliers.

To compete effectively, the Group must be able to anticipate and respond, in a timely and effective manner, to the need for new and enhanced technology. The markets in which the Group competes are characterised by rapidly changing technology, evolving industry standards, frequent enhancements to existing products and services, the introduction of new services and products and changing customer demands. If the Group's systems are unable to expand to meet increased demand, are disrupted or otherwise fail to perform, its reputation, business and operating results could be impacted.

New major IT projects have risks associated with them as well, particularly with regards to migrating markets to new technological platforms. New major IT projects and technology migrations have been associated with significant capital investment and there is no assurance that such migrations will be completed successfully or in line with allocated budgets. New or upgraded platforms also may not perform as intended or deliver the expected benefits, including, where relevant, increased capacity and lower operating costs. There cannot, therefore, be any assurance that such projects will prove cost-effective and, in such circumstances, the

profitability and reputation of the Group, its markets and its technology brands could be damaged. The flexibility of the Group and its ability to respond to customer needs for services could consequently be disrupted.

Additionally, the Group's ability to provide uninterrupted services is dependent on complex systems where failure, disruption or capacity limitations could adversely affect its business. These systems have experienced failures in the past, and it is possible that systems failures will occur in the future. Such failures may arise for a variety of reasons, such as software malfunctions, cyber attack, insufficient capacity, including network bandwidth, in particular during peak trading times or periods of unusual market volatility, as well as hardware or software malfunctions or defects, complications experienced in connection with system upgrades. If the Group's or those of its third party service providers' technology and/or information systems suffer from major or repeated failures, this could interrupt or disrupt its trading, clearing and settlement or index and information services and undermine confidence in the Group's platforms and services, cause reputational damage, impact operating results and lead to customer claims, litigation and regulatory sanctions. Whilst the Group has incident and disaster recovery and business contingency plans and back-up procedures to minimise, mitigate, manage and recover from the risk of an interruption of, or failure to, its critical IT operations, it cannot, however, entirely eliminate the risk of a system failure or interruption occurring.

As with all IT dependent companies, the Group's IT systems and networks, and those of its third party service providers, may also be vulnerable to cyber-attacks, unauthorised access, computer viruses and other security issues (despite regular testing, security reviews, vulnerability scanning, supplier assessments, contingency arrangements in addition to training and awareness campaigns). These events could damage the integrity and availability of the Group's markets and data provision as well as the Group's reputation and business more generally.

The Group operates in a business environment that continues to experience significant and rapid technological change. If the Group is unable to continue improving or to successfully develop and implement new technologies, or if the Group or its customers do not commit appropriate resources to new technologies or if its technological investment proves unsuccessful, it could result in a loss of customers.

In recent years, electronic trading and customer demand for increased choice of execution methods has grown significantly. The development and expansion of electronic trading, clearing, settlement, custody, collateral management and market data-related technologies entail significant technological, financial and business risks. These risks include the Group failing or being unable to provide reliable and cost-effective electronic trading services and functionality on a basis that is comparable to the systems provided by other electronic markets, to attract independent software vendors to write front-end software that will enable access to their electronic trading and automated order routing systems and to generate sufficient revenue to justify substantial levels of capital investment in electronic trading platforms and clearing and settlement systems. If the Group is unable to anticipate and respond to the demand, industry standards and regulatory requirements for new services, products and technologies on a timely and cost-effective basis and to adapt to technological advancements and changing standards, it may be unable to compete effectively.

The adoption of new technologies or market practices may require the Group to devote additional resources to improve and adapt its services, and there can be no assurance that these investments will be successful. If there is insufficient demand for a new service or customers lack the appropriate resources or infrastructure to support new products and trading and clearing functionality developed by the Group, or do not subscribe to new services in a timely manner, new initiatives may be unsuccessful or result in significant losses.

Any failure or delay in developing new technology, or inability to exploit technology as successfully or cost-effectively as competitors, could result in a decrease in customer demand, which could have a material adverse effect on the Group's business and cash flows, financial condition and results of operations.

Regulatory changes may adversely impact costs payable by the Group's clearing members and, as a result, the demand for the Group's clearing services and risk management services may decrease.

CRD IV and other legislation have potentially increased capital requirements for clearing participants, including credit institutions and investment firms, by requiring them to hold capital against their exposure to CCPs. Clearing members subject to CRD IV are required to hold capital in respect of their default fund obligations under the rules of the CCP, with the amount of that required capital being dependent upon the size and structure of the default waterfall provided by the CCP. If competitors of the Group take a different approach to their

default waterfalls, it may encourage clearing members to migrate to those competitors and discourage clearing through the Group's CCPs, reducing revenues and profitability. Such a migration could have a material adverse effect on the Group's business, financial condition and operating results.

The Group CCPs' collateral and liquidity management expose them to liquidity risk and a risk of a default by an investment counterparty.

The CCPs of the Group (i.e. LCH Limited, LCH SA, LCH Clearnet LLC and Casa di Compensazione e Garanzie S.p.A. (CC&G)) collect clearing members' margin and/or default funds contributions (financial resources) in cash and/or in highly liquid securities. To maintain sufficient ongoing liquidity and access to funds, the Group CCPs deposit the cash received in highly liquid and secure investments, such as sovereign bonds and reverse repos, as mandated under EMIR. The Group CCPs also hold a small proportion of their investments in unsecured bank and money market deposits. The successful operation of these investment activities is contingent on general market conditions and there is no guarantee that such investments will not be impacted by market losses.

Furthermore, there is a risk of an investment counterparty default which could lead to losses to the Group. Such a loss may occur, for example, due to the default of an issuer of bonds in which funds may be invested or the default of a bank in which funds are deposited. The Group CCPs manage their exposure to credit and concentration risks arising from such investments by maintaining a diversified portfolio of high quality issuers and of banking counterparties.

The Group has in place measures intended to mitigate such risks, such as internal credit scoring, minimum counterparty credit criteria, credit limits and rulebooks, however, in extreme circumstances such measures may not be sufficient to mitigate the impact of these risks.

The Group's CCPs rely on established policies with minimum counterparty credit and concentration risk criteria, instructions, rules and regulations, as well as procedures specifically designed to actively manage and mitigate credit risks. There is no assurance, however, that these measures will be sufficient to protect the Group's CCPs from an investment counterparty default.

The Group's clearing activities expose it to the risk of a default by a clearing member or a third party central counterparty.

The Group's clearing providers assume the counterparty risk for all transactions that are cleared through their markets and are exposed to the risk of default by their clearing members. This risk is greater if market conditions are unfavourable at the time of the default. Exposure to clearing members is closely monitored and addressed by imposing stringent membership requirements, holding high quality and highly liquid collateral in the form of margin deposits and default funds from clearing members and by the design of the default waterfall which aims to limit the extent to which a member default impacts CCP capital. The EMIR Regulation does, however, require CCPs to expose at least 25 per cent. of their regulatory capital ("Dedicated Own Resources" or "skin-in-the-game"), which is utilised if losses exceed the defaulting member's financial resources (including any collateral posted), before using the financial resources of non-defaulting members.

A default can also lead to liquidity risk. This is addressed by collateral eligibility requirements to ensure that securities posted by members to cover margin are highly liquid, investment of cash posted in highly liquid products and other liquidity arrangements (including commercial bank liquidity credit lines and access to central bank liquidity support for some but not all of the Group's CCPs). In addition, the commercial bank credit lines are short notice facilities and there can be no assurance that all of the banks will maintain their facilities or provide immediate liquidity to the clearing provider, particularly in extreme market circumstances. Such circumstances are considered exceptional.

Default by a clearing member could adversely affect the Group CCPs' revenues and its customers' goodwill and, in extreme circumstances, could lead to a call on the Group CCPs' own capital. The Group cannot be certain that its measures will be sufficient to protect it from such extreme circumstances and that the Group's business, financial condition and operating results will not be materially adversely affected as a result.

In addition, certain CCPs within the Group have interoperability arrangements with other counterparties requiring collateral to be exchanged in proportion to the value of the underlying transactions involved. The

relevant CCPs within the Group are therefore exposed to the risk of a default of such counterparties under such arrangements.

The Group also may be subject to claims and litigation by clearing members, including in relation to default management exercises. Under the terms of their agreements with clearing members, the Group's CCPs have extensive powers and obligations in the circumstances of a clearing member's default to close out transactions entered into by the defaulting member and to apply margin and, if necessary, default fund monies, to meet any amounts owed by the defaulting member. These powers and obligations, when they do arise, usually have to be exercised in situations of market volatility and on the basis of preliminary information. In such circumstances, disputes with affected counterparties can arise. The amounts involved in such disputes can be significant.

An operational failure of one of the Group's clearing or settlement services may adversely affect the Group's reputation, business, financial condition and operating results.

The Group's CCPs are exposed to operational risks associated with clearing transactions and the management of collateral, particularly where there are manual processes and controls. While the Group's CCPs have in place procedures and controls to prevent failures of these processes, and to mitigate the impact of any such failures, any operational error could have a material adverse effect on the Group's reputation, business, financial condition and operating results.

In addition, the Group CCPs provide routing, netting and settlement services to ensure that cash and securities are exchanged in a timely and secure manner for a multitude of products. There are operational risks associated with such services, particularly where processes are not fully automated. A failure to receive funds from participants may result in a debiting of the CCP's cash accounts which could have a material adverse effect on the Group's business, financial condition and operating results.

Additionally, operational failures at a Group Central Securities Depository could have a material adverse effect on the Group's reputation, business, financial condition and operating results.

A significant proportion of the revenues of certain business segments of the Group will be derived from a limited number of major customers.

A significant proportion of the Group's revenues in respect of its businesses are derived from a relatively limited number of major customers (such as investment banks and large institutional investors). These customers may be affected by, amongst other things, financial, budgetary, regulatory or political constraints which could have a significant impact on the amount, scope, timing and duration of the Group's products and services used by them and therefore on the level of earnings which the Group will derive from such customers. In addition, because of their size, these customers have considerable bargaining power and may have the ability to cancel contracts without notice or on short notice, without cause, and may use that power to seek to amend or renegotiate, existing contracts to include terms less favourable to the Group than may historically have been the case. The loss, expiration, suspension, cancellation or termination of any of these contracts for any reason could have a material adverse effect on the Group's future business, financial condition and operating results.

Furthermore, a decrease in the amount of business undertaken with these customers, for any reason, could result in an adverse effect on the Group's business, financial condition or operating or financial results. Damage to the reputation of the Group, has the potential to impact the Group's ability to win or retain business and therefore could materially adversely affect the business, financial condition, operating results and prospects of the Group.

The Group may be subject to increased costs of doing business and other risks as it expands geographically.

The increasing geographical scope of the Group's businesses and activities, including through geographical expansion of the Group's existing businesses and the acquisition of new businesses, expose it to different regulatory, legal and cultural environments that may increase the Group's exposure to reputational, regulatory and other risks associated with dealing with customers, suppliers, regulatory authorities and other parties in these jurisdictions, including for example international sanctions.

Damage to the Group's brands and reputation may adversely affect its performance.

A number of the Group's businesses have brands that are well-recognised at international as well as at national levels. The strong reputation of the Group's businesses and their valuable brand names are a key competitive

strength. Any events or actions that damage the reputation or brands of the Group could adversely affect its business, financial condition and operating results.

Damage to the reputation and brands of the Group may arise from internal factors (such as technology failures, regulatory investigations, sanctions and litigation) and external factors (such as cyber attacks, competitive, legal and regulatory change, economic and political factors) which make the businesses which the Group operates less attractive. The damage to the Group's brands and reputation may result in a loss of client confidence, a reduction in listings, a loss of volumes and market share, a decrease in assets under management from which fees are derived, a decline in sales of the Group's information services and technology and increased regulatory oversight. Any reduction in the perceived quality of the Group's brands may also make it more difficult for the Group to operate their businesses, as these are dependent on perceived brand quality to attract market participants. There may also be damage to the Group's brands as a result of physical security threats (such as terrorist attacks and civil or political unrest) directed against the Group's infrastructure, IT systems and premises which have the potential to severely disrupt the Group's business operations. The occurrence of specific incidents or events or legal or regulatory proceedings may have a negative impact on the Group's reputation.

A failure to protect the Group's proprietary software, intellectual property rights, or allegations that it has infringed intellectual property rights of others, could adversely affect its business.

The Group protects its intellectual property by relying upon a combination of trade mark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with its affiliates, clients, customers, strategic partners and others. Such protection may be inadequate to deter misappropriation of the Group's proprietary information and other intellectual property rights, and there can be no assurance that the Group's intellectual property rights will not be successfully challenged. The Group may not be able to detect the unauthorised use of, or take adequate steps to enforce, its intellectual property rights. Failure to protect its intellectual property rights adequately could result in costs for the Group, negatively impact the Group's reputation and affect the ability of the Group to compete effectively. Further, defending or enforcing the Group's intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the Group's business, financial condition and operating results.

The Group derives a significant proportion of its revenues from its information products and services and information technology operations. Consequently, although the Group is currently unaware of the existence of any such matters that are material in the context of the Group as a whole, challenges to the intellectual property belonging to or licensed by the Group, or claims or allegations of infringement by the Group of third party intellectual property, on which the Group will rely for revenue and which is specifically configured for the Group's use, could, individually or in aggregate, have an adverse effect on the Group's business, financial condition, operating results and reputation. Additionally, the Group may not be able to detect the unauthorised use of, or take adequate steps to enforce, its intellectual property rights, which could negatively impact the Group's reputation and affect the ability of the Group to compete effectively. Further, defending or enforcing the Group's intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the business, financial condition and operating results of the Group.

In addition to using its own intellectual property rights, the Group currently licenses a variety of intellectual property from third parties. In the event of a breach or alleged breach of any of these licences or any other allegation of intellectual property right infringement, a third party may bring infringement or other claims against the Group or its current and future customers. Any such litigation could be lengthy and costly and could result in a financial penalty and other remedies being awarded against the Group. Additionally, as a result of such litigation, the Group may be required to develop its own intellectual property or license similar intellectual property from an alternative supplier. There is no assurance that either outcome could be achieved on cost-effective terms, which could have an impact on the business, financial condition and operating results of the Group.

The Group may not be successful in the implementation of future business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties.

There has been a significant amount of change and alignment activity taking place within the Group in recent times. New business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties represent a material part of the Group's strategy for growth. The Group's ability to successfully implement any such business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties is subject to

execution risks and may be adversely impacted by a number of factors, including regulation, anti-trust and political considerations.

The Group may face difficulties integrating new businesses it has acquired and its future business acquisitions, including incorporating management, employees, IT systems and other operational functions with the Group's pre-existing operations and completing the separation of such functions from the operations of the former owners of such businesses, particularly where such businesses differ from the Group's pre-existing businesses. There is also no assurance that businesses that have been acquired or other new initiatives of the Group will be successful. To the extent any such failures of integration or initiatives occur, this could have an adverse effect on the Group's business and financial condition and, accordingly, the Group's operating results.

In addition, any companies, businesses or new initiatives acquired or invested in may not achieve the revenue or profitability that justify the original investment made by the Group or support the goodwill recorded for the acquisition. Furthermore, such activities will require significant time and resources from the Group's management and may require the diversion of resources from other activities. Failure to implement future business initiatives due to any of the foregoing factors could have a material adverse effect on the Group's business, financial condition and operating results.

If the Group chooses to sell any of its businesses, the separation of such business could take longer to implement than anticipated, increase the risk of errors in the day to day operations of that business and/or result in higher than expected costs to the Group or such loss of customers, which could have an adverse effect on the business, financial condition, operating results and customer relationships of the Group.

The Group may not always successfully manage actual or potential conflicts of interest that arise in its business.

The Group has to manage actual or potential conflicts of interest, including situations where its services to a particular client conflict, or are perceived to conflict, with the interests of another client, as well as situations where certain of the Group's employees have access to material non-public information that may not be shared with all employees of the Group. Failure to adequately address potential conflicts of interest could adversely affect the Group's reputation, operating results and business prospects.

The Group has procedures and controls that are designed to identify and mitigate conflicts of interest, including those designed to prevent the improper sharing of information. However, appropriately managing conflicts of interest is complex and difficult. The Group's reputation could be damaged and the willingness of clients to enter into transactions in which such a conflict might arise may be affected if the Group fails, or appears to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

Failure to retain and attract key employees could have adverse consequences on the Group.

The Group's success is dependent upon the experience and industry knowledge and calibre of its key employees. The Group's ability to attract and retain key personnel is dependent on a number of factors, including but not exclusively, prevailing market conditions, compensation packages offered by competing companies and any regulatory impact thereon and the ability of the Group to continue to have appropriate variable remuneration and retention arrangements in place that drive strong business performance and results. There can be no assurance that the Group will be successful in attracting and retaining the personnel it requires, which may adversely affect its ability to conduct its business through an inability to execute business operations and strategies effectively. While incentive plans are put in place for key personnel, there can be no assurance that such incentive plans will prevent the departure of key personnel from the Group.

Changes in and complexity of tax law may adversely affect the Group

The Group operates in various countries and has a material presence in the United States. The tax rules to which the members of the Group are subject are increasingly complex. The members of the Group must make judgements as to the interpretation and application of these rules.

Changes in tax law (including tax rates), tax treaties, accounting policies and accounting standards, including as a result of the Organisation for Economic Co-Operation and Development's review of base erosion and profit shifting and the European Union's anti-tax abuse measures, combined with increased investments by

governments in the digitisation of tax administration, could result in increased levels of audit activity, investigations, litigation or other actions by relevant tax authorities.

Under audit, tax authorities may disagree with the interpretation and/or application of relevant tax rules by members of the Group. A challenge by the tax authorities in these circumstances might require members of the Group to incur costs in connection with litigation or in reaching settlement and, if the tax authority's challenge is successful, could result in additional taxes (perhaps with interest and penalties) being assessed on members of the Group. This could increase the amount payable in respect of tax by the members of the Group and may additionally, given the current political and economic environment in relation to tax liabilities of multinational companies, cause reputational damage to the Group. Where a member of the Group disputes with a tax authority tax alleged to be due, provision may be made in relation to such dispute. Such provision may not cover the actual costs and/or liabilities suffered in relation to such dispute, resulting in an adverse effect on the Group's business. For example, as discussed in note 9 of the Issuer's annual report for the financial year ended 31 December 2017, in November 2017 the European Commission published its preliminary decision on the group financing exemption in the UK's controlled foreign company legislation, finding that the legislation is in breach of EU state aid rules. Like many other multinational groups that have acted in accordance with this UK legislation, the Group may be adversely affected by the final outcome of this investigation. However, based on its current assessment, the Group believes that no provision is required in respect of this issue.

The Group may not be able to refinance or renew its long-term credit facilities on acceptable terms and may not be able to pursue new opportunities or initiatives if it cannot secure financing (whether from debt or equity).

The Group has existing obligations to meet regular interest payments and comply with certain covenants under its borrowing facilities. If the Group seeks in the future to refinance or renew these facilities, this may result in more onerous obligations with respect to interest and covenants than are applicable to the Group's current term borrowing facilities.

The Group may require additional funds to pursue new business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties. The Group may need to raise such additional funds through equity or debt financing or from other sources. Any additional equity financing may be dilutive to holders of the Group's shares and any debt financing may not be available or may be available only on less favourable terms than under the Group's current borrowing facilities. There is a risk that such financing requirements may prevent the Group from pursuing these opportunities or that they may cause additional restrictions to be placed on the Group's future financing and operating activities.

Any reduction in the Group's credit rating could impact the Group's ability to obtain funding and its relationship with counterparties.

The Group currently has long term ratings of A3 by Moody's and A- by S&P, both of whom are registered or certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the **Credit Rating Agencies Regulation**).

These ratings are based on a number of factors, including the Group's financial strength as well as factors not entirely within its control, such as conditions affecting the macroeconomic environment and financial services industry generally. In light of the difficulties in the financial services industry and the financial markets in recent years, there can be no assurance that the Issuer will maintain its current rating or indeed investment grade ratings.

A failure to maintain investment grade credit ratings would potentially limit the availability of new funding, adversely affect the terms of such new funding (including higher borrowing costs) and potentially reduce the competitiveness of certain of the Group's businesses. If new funding is not available to the extent it is currently, or certain of the Group's businesses are deemed by their customers to have a weaker credit profile, this could have an adverse impact on the business, financial condition and operating results of the Group.

The Group is exposed to foreign exchange and interest rate fluctuations.

The Group is subject to risks associated with exchange rate fluctuations as a result of its broadening geographical footprint. The Group files its consolidated financial reports and accounts in pounds sterling and issues equity and pays dividends to its shareholders in pounds sterling. The Group generates its revenues and

incurs its costs in a mixture of currencies, including pounds sterling, euros and US dollars, with a material proportion of its revenues denominated in currencies other than pounds sterling. There can be no assurance that the Group will be successful in mitigating the impact of risks associated with the volatility in foreign currency rates. Such changes in rates could have an adverse effect on the value of the Group's business, financial condition and operating results.

The Group is also subject to risks associated with interest rate fluctuations through its borrowing activities and treasury investments. The Group holds a portion of its borrowings and holds a portion of its marketable securities and deposits of cash and cash equivalents at floating rates of interest. It is also exposed to interest rate risk on a proportion of its Group CCP collateral investments.

There can be no assurance that the Group will be successful in mitigating the impact of interest rate risks as interest rates and their volatility start to rise. Such rates or changes could have an adverse effect on the Group's business, financial condition and operating results.

The Group is exposed to third party credit risk.

The Group's customers and financial counterparties may default on their obligations to the Group, which may adversely affect the Group's business, financial condition and operating results.

The Group depends on a number of third party suppliers and distributors.

The Group depends on a number of third party suppliers and distributors, such as post trade and regulatory service providers, data processors, software and hardware suppliers, index providers, other exchange groups, communication and network suppliers and distributors and suppliers of electricity for its trading, data, post trade and other systems. These service providers may not be able to provide these services or products without interruption. They also may not be able to adequately expand their services or develop their products to meet the Group's needs. If a service provider suffers an interruption in or stops providing or distributing services or products (including failing to renew applicable licence agreements on favourable terms, if at all) and the Group cannot make suitable alternative arrangements or accept additional obligations sought by the relevant third party, or if the costs of procuring these services rise significantly, it could materially adversely affect the ability of the Group to operate its markets and the Group's business, financial condition and operating results.

The Group's networks and those of its third party service providers may be vulnerable to security risks, cyber attack or other leakage of sensitive data.

The Group accumulates, stores and uses data in its operating business that is sensitive and/or subject to data protection laws in the countries in which it operates. Additionally, as with all IT dependent companies, the Group's IT systems and networks, and those of its third party service providers, may also be vulnerable to cyber attacks, unauthorised access, computer viruses and other security issues (despite regular testing, security reviews and awareness campaigns). Persons who circumvent security measures could wrongfully access and use the Group's information or their customers' information, or cause interruptions or malfunctions in their operations. Although the Group takes precautions to protect data in accordance with applicable laws, the security measures taken by the Group or by its service providers may ultimately prove inadequate, and it is possible that there may be leakages in the future. Loss or leakage of sensitive data, fraud in relation to sensitive data or violation of data protection laws, whether due to cyber attack or otherwise, may result in reputational damage, regulatory sanctions, litigation, loss of trading share, loss of trading volume and loss of revenues or financial losses, any of which could also have a material adverse effect on the Group's business and cash flows, financial condition and results of operations.

The Group is subject to significant litigation risks and other liabilities.

Many aspects of the Group's business involve litigation risks. Some of the litigation risks arise under the laws and regulations relating to tax, anti-money laundering, foreign asset controls and foreign corrupt practices. These risks also include potential liability from disputes over terms of a securities trade or from claims that a system or operational failure or delay caused, monetary losses to a customer, as well as potential liability from claims relating to facilitation of unauthorised transactions or materially false or misleading statements in connection with a transaction. The Group is involved and may continue to be involved in allegations of misuse of the intellectual property of others, as well as other commercial disputes. Claims may arise against its service providers regarding quality of trade execution, improperly cleared or settled trades, in connection with default

management mismanagement or even fraud. Any such litigation (either individually or in the aggregate) could be lengthy and costly, and could result in the expenditure of significant financial and management resources, which could adversely affect the Group's business and cash flows, financial condition and results of operations.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes.

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

General

If an investor chooses to sell its Notes issued under the Programme in the open market at any time prior to the maturity of the Notes, the price the investor will receive from a purchaser may be less than its original investment, and may be less than the amount due to be repaid at the maturity of the Notes if an investor were to hold onto the Notes until that time. Factors that will influence the price received by investors who choose to sell their Notes in the open market may include, but are not limited to, market appetite, inflation, the period of time remaining to maturity of the Notes, prevailing interest rates and the financial position of the Issuer.

The Notes are not protected by the Financial Services Compensation Scheme

Unlike a bank deposit, the Notes are not protected by the FSCS or any other government savings or deposit protection scheme. As a result, the FSCS will not pay compensation to an investor in the Notes upon the failure of the Issuer. If the Issuer goes out of business or becomes insolvent, the holders of the Notes (the **Noteholders**) may lose all or part of their investment in the Notes.

Intra Group payment of dividends and distributions

The Issuer is a holding company with no material assets other than its equity interests in its subsidiaries. Almost all of the Issuer's operations are carried out through its operating subsidiaries. The Issuer's principal source of income is, and its ability to meet its financial obligations is therefore dependent upon the level of, dividends, loan repayments, distributions and other intercompany transfers of funds it receives from its operating subsidiaries. There is no contractual obligation for its operating subsidiaries to make regular dividend payments to the Issuer. In addition, the ability of the directors of a subsidiary of the Issuer to declare dividends or the amount of dividends they may pay will depend on the relevant company's operating results and will be subject to applicable laws and regulations. Claims of creditors of the Issuer's subsidiaries have priority as to the assets of such subsidiaries to the claims of the Issuer. Consequently, the claims of the holders of Notes issued by the Issuer are structurally subordinated, in the event of the insolvency of the Issuer's subsidiaries, to the claims of the creditors of the Issuer's subsidiaries.

Fixed Rate Notes bear interest at a fixed rate, which may affect the secondary market value and/or the real value of the Notes over time due to fluctuations in market interest rates and the effects of inflation

Fixed Rate Notes bear interest at a fixed rate. Investors should note that (i) if interest rates start to rise then the income to be paid by the Notes might become less attractive and the price the investors get if they sell such Notes could fall. However, the market price of the Notes has no effect on the interest amounts due on the Notes or what investors will be due to be repaid on the Maturity Date if the Notes are held by the investors until they expire; and (ii) inflation will reduce the real value of the Notes over time which may affect what investors can buy with their investments in the future and which may make the fixed interest rate on the Notes less attractive in the future.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to

a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing market rates.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

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

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

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

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

The amount of interest and/or the amount to be repaid upon redemption of Notes may be subject to adjustment by reference to RPI, which may reduce the interest amount payable in respect of the relevant interest period and/or reduce the amount to be repaid upon redemption to less than the face value of such Notes

The Issuer may issue Notes on terms that the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of the Notes will be calculated by reference to movements in the RPI during a reference period (**RPI-Linked Notes**). RPI may go down as well as up.

Where Notes in respect of which the amount of interest payable is subject to adjustment by reference to movements in RPI are issued, a decrease in RPI over the reference period will reduce the amount of interest payable in respect of such Notes. In a deflationary environment, the annual interest received may be lower than the rate of interest specified in the applicable Final Terms.

Where the amount payable upon redemption of the Notes is subject to adjustment by reference to movements in RPI, a decrease in RPI over the reference period may reduce the amount to be repaid upon redemption of the Notes to less than the nominal amount of the Notes, unless the applicable Final Terms specifies a minimum redemption amount which is equal to or higher than the nominal amount of the Notes. Investors may lose up to the entire value of their investment and the redemption amount payable may be less than the initial purchase price and could be as low as zero.

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

Risks related to Notes with interest linked to a benchmark

Benchmarks such as LIBOR and EURIBOR, to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of and the amount payable under the Notes.

International proposals for reform of benchmarks include the European Council's Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the **Benchmark Regulation**) which was published in the Official Journal of the EU on 29 June 2016. Pursuant to article 20 of the Benchmark Regulation and to Regulation (EU) 2016/1368, EURIBOR and LIBOR have each been considered a critical benchmark, and are therefore subject to mandatory administration, in accordance with article 21 of the Benchmark Regulation. Accordingly, the administrator for each of EURIBOR and LIBOR will be part of the register of benchmark administrators referred to in article 36 of the Benchmark Regulation.

Any changes to a benchmark as a result of the Benchmark Regulation, or other initiatives, could have a material adverse effect on the costs of refinancing a benchmark or the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the disappearance of certain benchmarks, which may impact the value of and the amount payable under the Notes as compared to the situation where such factors would be absent.

LIBOR, EURIBOR and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted.

In July 2017 the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021, indicating that the continuation of LIBOR on the current basis will not be guaranteed after 2021.

A change in the method of calculation or discontinuance of the LIBOR, EURIBOR or any other benchmark or changes in the manner of administration of any benchmark, could require an adjustment to the interest provisions of the Conditions, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes) and could have a negative impact on the value of any Notes where any interest payment is linked in whole, or in part, to a benchmark. There can be no assurance that ICE Benchmark Administration Limited (**ICE**), the current administrator of LIBOR, or the European Money Market Institute, the current administrator of EURIBOR, will not in future make changes to LIBOR or EURIBOR (as applicable). No administrator of LIBOR, EURIBOR or any other benchmark will have any obligation to any investor in respect of Notes linked to such benchmark and as such, the administrator may take actions in respect of the benchmark that could have a negative effect on the value of Notes linked to such benchmark.

Additionally, the Conditions of the Notes (see Condition 4(e) for further detail) provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR or EURIBOR, becomes unavailable, including the possibility that the Rate of Interest could be set by reference to a substitute or successor reference rate, or that an adjustment spread could be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders arising out of the replacement of the relevant benchmark. In certain circumstances the use of the ultimate fallback for a particular Interest Period may result in the reference rate for the last preceding Interest Determination Date being used in the calculation of the Rate of Interest. This may result in the effective application of a fixed rate for Floating Rate Notes. In addition, due to the uncertainty concerning the availability of a substitute or successor reference rate and the involvement of an independent financial institution of international standing, the relevant fallback provisions may not operate as intended at the relevant time.

Noteholders should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Risks related to Notes generally.

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

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders

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

The Conditions also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the conditions of the Notes or any of the provisions of the trust deed dated 25 August 2017 (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) or (ii) determine that any condition, event or act which, but for such determination, would constitute an Event of Default (as defined in the Trust Deed), shall not be treated as such or (iii) agree to the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 18 of the Conditions.

In addition, pursuant to Condition 4(e), certain changes may be made to the interest calculation provisions of Floating Rate Notes in the circumstances set out in Condition 4(e), without the requirement for consent of the Noteholders.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the **ICSDs**), in all but the most remote circumstances, it is not expected that the “Foreign Account Tax Compliance Act” provisions of the U.S. “Hiring Incentives to Restore Employment Act” (commonly referred to as **FATCA**) will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Notes are discharged once it has paid the common depository or common safekeeper for the ICSDs (as bearer of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

The Proposed Financial Transaction Tax (FTT)

As described above (see “*The Group may be affected by the proposed introduction of the EU financial transaction tax and/or a tax on high frequency trading.*”), on 14 February 2013, the Commission’s Proposal for a Directive for a common FTT in the participating Member States was published.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range

of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may also decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as defined in Condition 1) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a nominal amount of Notes such that its holding amounts to a Specified Denomination.

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

The value of the Notes could be adversely affected by a change in English law or administrative practice

The Conditions of the Notes are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Risks relating to holding CREST Depository Interests.

Interests in certain Notes may be held as CREST Depository Interests and holders of such interests in the Notes will be subject to additional provisions and, as a result, the rights of, and returns received by, such holders may differ from those of holders of Notes which are not represented by CREST Depository Interests

Terms used in this risk factor and not otherwise defined shall have the meanings given to such terms in the section entitled “*Clearing and Settlement—Crest Depository Interests*” in this Offering Circular.

CREST Depository Interests are separate legal obligations distinct from the Notes and holders of the CDIs (**CDI Holders**) will be subject to additional provisions other than the conditions of the Notes.

CDI Holders will hold or have an interest in a separate legal instrument and will not be the legal owners of the Notes. The rights of CDI Holders to the Notes are represented by the relevant entitlements against the CREST Depository which (through CREST International Nominees Limited (the **CREST Nominee**)) holds interests in the Notes. Accordingly, rights under the Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians. The enforcement of rights under the Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the CREST Deed Poll. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual (as defined in the “*Definitions*” section of this Offering Circular) and the CREST Rules (contained in the CREST Manual) contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result,

the rights of, and returns received by, CDI Holders may differ from those of holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.

Potential investors should note that none of the Issuer, the relevant Dealer, the Trustee and the Paying Agents will have any responsibility for the performance by any intermediaries through which interests in the Notes and/or CREST Depository Interests may be held, or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations.

For further information on the issue and holding of CDIs see the section entitled “*Clearing and Settlement—CREST Depository Interests*” in this Offering Circular.

Risks related to the market generally.

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

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. There is no guarantee of what the market price for selling or buying the Notes will be at any time. If prevailing market conditions reduce market interest in the Notes, the availability of a market price may be impaired. Moreover, notwithstanding in the case of Notes issued under the Programme to be traded on the London Stock Exchange’s ORB the presence of at least one market maker for the Notes, if trading actively levels are low, this may severely and adversely impact the price that an investor would receive if it wishes to sell its Notes.

If an investor holds Notes which are not denominated in the investor’s home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

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

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

Credit ratings assigned to the Issuer or any Notes may not reflect the risks associated with an investment in those Notes

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

The yield associated with Fixed Rate Notes will differ according to the price at which the Notes are purchased

The indication of yield stated within the Final Terms of the Notes applies only to investments made at (as opposed to above or below) the issue price of the Notes. If an investor invests in Notes issued under the Programme at a price other than the issue price of the Notes, the yield on the investment will be different from the indication of yield on the notes as set out in the Final Terms of the Notes.

INFORMATION ABOUT THE PROGRAMME

What is the Programme?

The Programme is a debt issuance programme under which the Issuer may, from time to time, issue debt instruments which are referred to in this Offering Circular as Notes. Notes are also commonly referred to as bonds.

The Programme is constituted by a set of master documents containing standard terms and conditions and other contractual provisions that can be used by the Issuer to undertake any number of issues of Notes from time to time in the future, subject to a maximum limit of £2,500,000,000 outstanding at any time.

The standard terms and conditions that can be used by the Issuer to undertake each issue of Notes are contained in a set of provisions referred to as the Terms and Conditions of the Notes, as set out in this Offering Circular in “*Terms and Conditions of the Notes*”.

How are Notes issued under the Programme?

Whenever the Issuer decides to issue Notes, it undertakes what is commonly referred to as a “drawdown”. On a drawdown, documents which are supplementary to the Programme master documents are produced, indicating which provisions in the master documents are relevant to that particular drawdown and setting out the terms of the Notes to be issued under the drawdown. The key supplementary documents of which you will need to be aware when deciding whether to invest in Notes issued as part of a drawdown over the 12 month period from the date of this Offering Circular are: (a) any supplement to this Offering Circular published by the Issuer after the date of this Offering Circular and (b) the applicable final terms document (referred to as the Final Terms) for such Notes.

In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes and whose inclusion or removal from this Offering Circular is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group, and the rights attaching to the Notes, the Issuer will prepare and publish a supplement to this Offering Circular or prepare and publish a new base Offering Circular, in each case, for use in connection with such Notes and any subsequent issue of Notes.

The Terms and Conditions of the Notes cater for all the permutations of provisions that the Issuer envisages being likely to be applicable to issues of Notes under the Programme, with the Final Terms for each issue setting out the specific commercial terms applicable to the issue of Notes and the extent to which the provisions in the Terms and Conditions of the Notes are applicable. Final Terms are intended to be read alongside the Terms and Conditions of the Notes, and the two together provide the specific terms of the Notes relevant to a specific drawdown.

The Final Terms in respect of any Notes may be submitted to the Financial Conduct Authority and the London Stock Exchange plc or any regulated market operated by a member

Refer to

Terms and Conditions of the Notes beginning on page 92

Terms and Conditions of the Notes beginning on page 92 and Applicable Final Terms beginning on page 72

state of the European Union (EU) and published by the Issuer in accordance with the Prospectus Directive and in compliance with the requirements of the local law of the relevant EU Member State, if applicable.

What types of Notes may be issued under the Programme?

Four types of Notes may be issued under the Programme: Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes and RPI-Linked Interest Notes, or any combination of these.

Fixed Rate Notes are Notes where the interest rate payable by the Issuer on the Notes is determined prior to issue, and remains fixed throughout the life of the Notes. See the “*How the Return on Your Investment is Calculated*” section for a worked example showing how the return on an issue of Fixed Rate Notes is calculated.

Floating Rate Notes are Notes where the interest rate is calculated by reference to a fluctuating benchmark rate. Under the Programme, that benchmark rate will be either an ISDA defined rate, the Euro Interbank Offered Rate (EURIBOR) or the London Interbank Offered Rate (LIBOR). The floating interest rate is recalculated on or around the start of each new interest period and applies for the length of that interest period. Therefore, Floating Rate Notes in effect have a succession of fixed interest rates. Although the floating interest rate will be based on the benchmark rate, it will typically also include a fixed percentage margin which is added to the benchmark rate. See the “*How the Return on Your Investment is Calculated*” section for a worked example showing how the return on an issue of Floating Rate Notes is calculated.

In the event of a relevant benchmark changing or being discontinued, Condition 4(e) of the Notes provides for the operation of certain fallback provisions which allow the Issuer to adjust or replace the Rate of Interest payable by it to the Noteholders.

Zero Coupon Notes are Notes which do not carry any interest but which are generally issued at a deep discount to their principal or final redemption amount. Zero Coupon Notes are repaid at their full amount or the relevant premium, as the case may be. Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the principal or final redemption amount of the Zero Coupon Notes paid on maturity. Alternatively, you might realise a return on Zero Coupon Notes through a sale prior to their maturity.

RPI-Linked Interest Notes are Notes whereby the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of the Notes will be calculated by reference to movements in the UK Retail Prices Index during a reference period. RPI-Linked Redemption Notes may also be issued depending on the Redemption Basis shown in the applicable Final Terms. The minimum denomination of each RPI-Linked Note will be €100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The specific details of each Note issued will be specified in the applicable Final Terms.

How will the price of the

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of

Terms and Conditions of the Notes beginning on page 92 and Applicable Final Terms beginning on page 72


Applicable Final Terms beginning

| | | |
|--|--|--|
| Notes be determined? | Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer or Dealers at the time of “pricing” of the Notes in accordance with prevailing market conditions. The issue price for each Tranche will be specified in the applicable Final Terms. | on page 72 |
| What is the yield on Fixed Rate Notes? | The yield in respect of each issue of Fixed Rate Notes will be calculated on the basis of the issue price and specified in the applicable Final Terms. Yield is not an indication of future price. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield. | Applicable Final Terms beginning on page 72 |
| Will the Notes issued under the Programme have a credit rating? | Notes of the type issued under the Programme are senior long term debt obligations of the Issuer and have been rated A3 by Moody’s and A- by S&P. Notes issued under the Programme may or may not be specifically rated which will be specified in the Final Terms. Any such ratings will not necessarily be the same as the rating assigned to the Issuer or to any other issues of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation. | Applicable Final Terms beginning on page 72 |
| Will I be able to trade the Notes issued under the Programme? | <p>Application has been made to admit Notes issued during the period of 12 months from the date of this Offering Circular to the official list of the UK Listing Authority and to admit them to trading on London Stock Exchange’s regulated market. Notes may also be admitted to trading through the electronic order book for retail bonds (commonly known as the ORB) on the London Stock Exchange’s regulated market.</p> <p>Application may also be made to the CONSOB for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list maintained by the CONSOB and to the Borsa Italiana for such Notes to be admitted to trading on Borsa Italiana’s regulated market, and where relevant, through MOT operated by Borsa Italiana.</p> <p>Once listed, the Notes may be purchased or sold through a broker. The market price of the Notes may be higher or lower than their issue price depending on, among other things, the level of supply and demand for the Notes, movements in interest rates and the financial performance of the Issuer and the Group. (See “<i>Risk Factors - Risks related to the market generally - An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes</i>”).</p> | General Information – paragraph <i>Listing of Notes on the Official List</i> on page 161 |
| Who is issuing the Notes? | The Notes will be issued by London Stock Exchange Group plc. | Applicable Final Terms beginning on page 72 |
| What is the relationship between the Issuer and the Group? | The Issuer is the ultimate holding company of the Group, a global diversified markets infrastructure business. | Description of the Issuer beginning on page 134 |

What will Noteholders receive in a winding-up of an Issuer and/or the Group?

If the Issuer becomes insolvent and is unable to pay its debts, an administrator or liquidator or trustee in any relevant insolvency proceeding would be expected to make distributions to creditors of the Issuer in accordance with a statutory order of priority. An investor's claim as a Noteholder would be expected to rank after the claims of any holders of the Issuer's secured debt or other creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of any shareholder of the Issuer. A simplified diagram illustrating the expected ranking of the Notes compared to other creditors of the Issuer is set out below:


N/A

| | Type of obligation | Examples of obligations/securities |
|--|--|---|
|  | Proceeds realised from the enforcement of a fixed charge or charge (i.e. a charge secured on particular property or assets of a borrower) | Currently none |
| | Expenses of the liquidation/administration or bankruptcy proceeding | Currently none |
| | Preferential creditors | Including remuneration due to employees of the Issuer |
| | Proceeds realised from the enforcement of a floating charge (i.e. a charge taken over all the assets or a class of assets of a borrower from time to time) | Currently none |
| | Unsecured obligations, including guarantees in respect of them | Notes issued under the Programme Also includes various other unsecured obligations (including guarantee obligations), such as various Notes issued under the Programme that remain outstanding and the Group's various banking facility agreements. |
| Lower ranking | Shareholders | Ordinary shareholders |

However, as well as being aware of the ranking of the Notes issued under the Programme compared to the other categories of creditor, and the shareholders, of the Issuer, investors should note that the Issuer holds a substantial amount of its assets in its subsidiaries and joint ventures. See “Description of the Issuer” for details of the Issuer’s material subsidiaries and joint ventures.

As a shareholder of a subsidiary, the Issuer will have a right to participate as a shareholder in a distribution of any such subsidiary’s assets in the event of any liquidation, re-organisation (other than a solvent internal group reorganisation), bankruptcy or insolvency of any such subsidiary. However, the Issuer’s right to participate is generally subject to any claims made against that subsidiary, including creditors such as any lending bank and trade creditors. The obligations of the Issuer under the Notes are therefore structurally subordinated to any liabilities of the Issuer’s subsidiaries. Structural subordination in this context means that, in the event of a winding up or insolvency of a subsidiary of the Issuer, any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Issuer (i.e. including Noteholders).

A simplified diagram illustrating the structural subordination of the Issuer’s obligations under the Notes to any liabilities of the Issuer’s subsidiaries is set out below:

| | Type of obligation of the subsidiary | Examples of obligations |
|---|--|--|
|  | Proceeds of fixed charge or charge of assets | Currently none |
| | Expenses of the liquidation/administration | Currently none |
| | Preferential creditors | Including remuneration of the subsidiary’s employees |
| | Proceeds of floating charge assets | Currently none |
| | Unsecured obligations, including guarantees in respect of them | For example, trade creditors and unsecured debt (including obligations as borrower or guarantor) |
| Lower ranking | Shareholders | London Stock Exchange Group plc (i.e. the Issuer of the Notes) |

Are the Notes secured?

No, as of the date any Notes are issued, the obligations of the Issuer to pay interest and principal on the Notes will not be secured by any of the Issuer’s or any other member of the Group’s assets or otherwise.

N/A

Are the Notes guaranteed?

No, as of the date any Notes are issued, the obligations of the Issuer to pay interest and principal on the Notes will not be guaranteed by any other party.

| | | |
|--|--|---|
| Who will represent the interests of the Noteholders? | <p>The Trustee is appointed to act on behalf of the Noteholders as an intermediary between Noteholders and the Issuer throughout the life of any Notes issued under the Programme. The main obligations of the Issuer (such as the obligation to pay and observe the various covenants in the Terms and Conditions of the Notes) are owed to the Trustee. These obligations are enforceable by the Trustee only and not the Noteholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Issuer, the Trustee's role is to protect the interests of the Noteholders as a class.</p> | <p>Terms and Conditions of the Notes beginning on page 92</p> |
| Do the Notes have voting rights? | <p>Noteholders have certain rights to vote at meetings of the Noteholders, but are not entitled to vote at any meeting of shareholders of the Issuer or any other member of the Group.</p> <p>The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a different manner than the majority did.</p> | <p>Terms and Conditions of the Notes (<i>Condition 16 – Meetings of Noteholders, Modification and Waiver</i>) beginning on page 124</p> |
| Do the Notes contain any covenants? | <p>Yes. The Notes contain a negative pledge covenant with respect to the Issuer. In general terms, a negative pledge provision restricts an issuer of unsecured bonds from granting security over assets for other comparable bond financings. Its purpose is to provide price protection for the bonds containing the negative pledge: if an issuer issued similar bonds that had the benefit of security, investors might be more likely to purchase the secured bonds, which may adversely affect the price of the unsecured bonds.</p> <p>Under the negative pledge provision in the Terms and Conditions of the Notes, therefore, the Issuer shall not create or permit to subsist any security upon the whole or any part of their undertaking, assets or revenues to secure any bond type debt without similarly securing the Notes, subject to certain exceptions.</p> | <p>Terms and Conditions of the Notes (<i>Condition 3 – Negative Pledge</i>) beginning on page 94</p> |
| Can the Terms and Conditions of the Notes be amended? | <p>The Terms and Conditions of the Notes provide that the Trustee may, without the consent of the Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, (ii) certain other modifications, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, and (iii) in certain circumstances, the substitution of certain other entities in place of the Issuer or any previous substituted company as principal debtor or guarantor, as the case may be, under the Trust Deed, the Notes and the Coupons.</p> | <p>Terms and Conditions of the Notes (<i>Condition 16 – Meetings of Noteholders, Modification and Waiver</i>) beginning on page 124</p> |
| What will the proceeds be used for? | <p>The net proceeds from each issue of Notes may be applied by the Issuer for refinancing of indebtedness and for its general corporate purposes or may be applied for particular uses, as determined by the Issuer. If, in respect of an issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.</p> | <p>Use of Proceeds on page 126</p> |

What if I have further questions?

If you are unclear in relation to any matter, or uncertain if any Notes offered under the Programme are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

N/A

HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

The following section sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Notes.

THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE NOTES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF YOUR NOTES AS SET OUT IN *TERMS AND CONDITIONS OF THE NOTES* AND THE FINAL TERMS RELATING TO THE NOTES.

Interest

For the purposes of the scenarios below, the nominal amount per Note is assumed to be £1,000 and the issue price is 100 per cent. (100%) of the aggregate nominal amount.

Four types of Notes may be issued pursuant to this Offering Circular: Fixed Rate Notes which bear periodic fixed rate interest; Floating Rate Notes which bear periodic floating rate interest; Zero Coupon Notes which do not bear interest; and RPI-Linked Interest Notes which bear periodic UK Retail Prices Index-linked interest (or any combination of these). Upon maturity, the Notes will pay a fixed redemption amount. Notes may provide for early redemption at the option of the Issuer (a call option) or at your option either upon a change of ownership of the Issuer or as otherwise specified (a put option). The Issuer may also elect to redeem the Notes early in certain circumstances for tax reasons.

The examples below are intended to demonstrate how the return on your investment will be calculated depending on the interest type and the relevant redemption provisions specified to be applicable for your Notes. As the minimum denomination of each RPI-Linked Note will be €100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) no examples have been included in this section for RPI-Linked Notes.

Fixed Rate Notes

Fixed Rate Notes pay a periodic and predetermined fixed rate of interest over the life of the Note.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the relevant fixed rate to the nominal amount, and then multiplying such amount by the applicable 'day count' fraction (which is a fraction used to reflect the number of days over which interest has accrued).

WORKED EXAMPLE: FIXED RATE NOTES

Assuming, for the purpose of this worked example only, that:

- **the fixed rate is 3 per cent. (3%) per annum;**
- **the day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and**
- **the actual number of calendar days in the interest period is 183,**

the interest amount payable on the interest payment date will be £15.04 (rounded to two decimal places). This figure is calculated as fixed interest of 3%, or $0.03 \times \text{£}1,000 \times \text{day count fraction of } 183/365$ or 0.5013699.

Floating Rate Notes

Floating Rate Notes pay interest that is calculated by reference to a fluctuating benchmark rate, either (i) an interest rate benchmark, such as LIBOR or EURIBOR or (ii) a rate of interest determined in accordance with market standard definitions, published by the International Swaps and Derivatives Association, Inc. (ISDA

Definitions), plus or minus, in each case, a margin and subject, in certain cases, to a maximum or minimum rate of interest. Interest rate benchmarks reflect the rate at which banks are willing to lend funds to each other in a particular market (for LIBOR this is the London interbank market and for EURIBOR this is the Euro-zone interbank market). Interest rates determined in accordance with the ISDA Definitions reference hypothetical derivative contracts to determine a rate of interest.

If the benchmark rate is, for example, LIBOR or EURIBOR, this will commonly be taken as the rate appearing at the relevant time on a specified screen service. This is referred to in the Conditions of the Notes and the Final Terms as “Screen Rate Determination” and, in the case of such an issue of Floating Rate Notes, the Final Terms will specify the relevant benchmark (referred to in the Final Terms as the “Reference Rate”), the date on which the benchmark rate will be determined for each interest period (the “Interest Determination Date”) and the screen from which the rate will be taken (the “Relevant Screen Page”). If the screen rate is not available, the Conditions of the Notes contain fallback provisions which allow the rate to be determined on the basis of the arithmetic mean of rates quoted by reference banks in the relevant market.

In addition to the above described fallback provisions, the Conditions of the Notes (see Condition 4(e) for further detail) provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR or EURIBOR, becomes unavailable, including the possibility that the Rate of Interest could be set by reference to a substitute or successor reference rate determined by an independent financial institution of international standing. In certain circumstances the use of the ultimate fallback for a particular Interest Period may result in the reference rate for the last preceding Interest Determination Date being used in the calculation of the Rate of Interest. This may result in the effective application of a fixed rate for Floating Rate Notes.

If the interest rate is to be determined using the ISDA Definitions, this is referred to in the Terms and Conditions of the Notes and the Final Terms as “ISDA Determination”. In such a case, the interest rate will be equivalent to the floating rate which would be determined in a hypothetical interest rate swap transaction for which the Floating Rate Option, the Designated Maturity and the relevant Reset Date are specified in the Final Terms. In an interest rate swap, each counterparty agrees to pay either a fixed or floating rate denominated in a particular currency to the other counterparty. The relevant ISDA Definitions on which the hypothetical swap transaction will be based will also be specified in the Final Terms.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the rate of interest for that interest period to the nominal amount, and then multiplying such amount by the applicable ‘day count’ fraction (which is a fraction used to reflect the number of days over which interest has accrued). The rate of interest for any interest period will be determined by adding the relevant margin to the level of the interest rate benchmark or rate determined using the ISDA Definitions, as applicable, for such interest period (or subtracting the relevant margin, if the margin is a negative number). The result will be subject to any maximum or minimum rate which may be specified in the Final Terms.

WORKED EXAMPLE: FLOATING RATE NOTES - SCREEN RATE DETERMINATION

Assuming, for the purpose of this worked example only, that:

- **the Reference Rate is 6 month GBP LIBOR;**
 - **the margin is plus 2.00 per cent. (2.00%);**
 - **the rate of interest is subject to a maximum rate of 7.00 per cent. (7.00%) per annum;**
 - **the day count fraction is “Actual/365 (Fixed)”, being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and**
 - **the actual number of calendar days in the interest period is 181,**
- (i) **if the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 2.10 per cent. (2.10%), the interest amount payable on the corresponding interest payment date will be equal to £20.33 (rounded to two decimal places). This figure is calculated as £1,000 × rate of interest of 4.10% (or 0.041) × day count fraction of 181/365. The rate of interest (4.10%) is calculated as the Reference Rate of 2.10% (or 0.021) plus 2.00% (or 0.02) margin, and is not affected by the maximum rate of interest; and**

- (ii) if the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 6.16 per cent. (6.16%), the interest amount payable on the corresponding interest payment date will be equal to £34.71 (rounded to two decimal places). This figure is calculated as $£1,000 \times$ rate of interest of 7.00% (or 0.07) \times day count fraction of 181/365. The rate of interest (7.00%) is set as the maximum rate of interest because the Reference Rate of 6.16% (or 0.0616) plus 2.00% (or 0.02) margin, results in a rate of 8.16%. In this scenario, the rate of interest is capped at 7.00%.

WORKED EXAMPLE: FLOATING RATE NOTES - ISDA DETERMINATION

Assuming, for the purpose of this worked example only, that:

- the Floating Rate Option is GBP-LIBOR-ICE;
 - the Designated Maturity is 6 months;
 - the margin is plus 1.50%;
 - the rate of interest is subject to a maximum rate of 6.00 per cent. (6.00%) per annum;
 - the ISDA Definitions on which the hypothetical swap transaction will be based are the 2006 ISDA Definitions;
 - the day count fraction is “Actual/365 (Fixed)”, being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and
 - the actual number of calendar days in the interest period is 181,
- (i) if the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 2.40 per cent. (2.40%) on the basis of GBP-LIBOR-ICE (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to £19.34 (rounded to two decimal places). This figure is calculated as $£1,000 \times$ rate of interest of 3.90% (or 0.039) \times day count fraction of 181/365. The rate of interest (3.90%) is calculated as the floating rate of 2.40% (or 0.024) plus 1.50% (or 0.015) margin, and is not affected by the maximum rate of interest; and
- (ii) if the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 5.40 per cent. (5.40%) on the basis of GBP-LIBOR-ICE (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to £29.75 (rounded to two decimal places). This figure is calculated as $£1,000 \times$ rate of interest of 6.00% (or 0.06) \times day count fraction of 181/365. The rate of interest (6.00%) is set as the maximum rate of interest because the floating rate of 5.40% (or 0.054) plus 1.50% (or 0.015) margin, results in a rate of 6.90%. In this scenario, the rate of interest is capped at 6.00%.

Zero Coupon Notes

No amount of interest will accrue or become payable on Zero Coupon Notes. Zero Coupon Notes are generally issued at a discounted issue price (such as 95%) to their principal or final redemption amount and then repaid at their full amount (100%) or the relevant premium, as the case may be. Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the principal or final redemption amount of the Zero Coupon Notes paid on maturity.

WORKED EXAMPLE: ZERO COUPON NOTES

Assuming, for the purpose of this worked example only, that the Zero Coupon Notes are issued in a nominal amount of £1,000 at a discounted issue price of 95%. An investor will pay £950 to purchase a Note but on maturity will be repaid £1,000. The investor will not receive any interest on the Note but will earn £50 as a result of holding the Note to maturity.

Redemption

Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes

The Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes to be issued under the Programme will be principal protected. This means that, provided you hold the Notes until maturity, the amount you receive when the Notes mature will at least equal your initial investment.

Unless your Notes are redeemed early (as described below under “*Call Options*”) or are purchased and cancelled, if you purchased £1,000 in nominal amount of the Notes, you will receive £1,000 from the Issuer on the maturity date of the Notes. This is known as redemption at par. In such circumstances, the “Final Redemption Amount” will be shown in the relevant Final Terms as “Par” or “£1,000 per Calculation Amount”. The Calculation Amount is a notional amount which is used to calculate interest and redemption amounts on the Notes. It is identified in the Final Terms in paragraph 6(ii) and, for the purposes of this example, is assumed to be £1,000.

Call Options

A call option gives the Issuer the right to redeem the Notes before the final maturity date at a predetermined cash price on a specified date(s). If the Notes are redeemed, you will be paid the redemption amount specified in the Final Terms plus any accrued but unpaid interest. The Issuer is given the right to redeem the Notes in certain circumstances for tax reasons, as described in Condition 7(b) (*Redemption for Tax Reasons*) and, if Issuer Maturity Par Call is specified to be applicable in the Final Terms relating to the Notes, during the period of 90 days prior to the final maturity date as described in Condition 7(j) (*Redemption at the option of the Issuer (Issuer Maturity Par Call)*). The terms of any other call options will be set out in the Final Terms.

Following the exercise by the Issuer of a call option, in respect of each Note, as well as any accrued but unpaid interest, you will receive an amount equal to the Early Redemption Amount specified in the Final Terms (in the case of a Redemption for Tax Reasons), the Final Redemption Amount specified in the Final Terms (in the case of Issuer Maturity Par Call) or the Optional Redemption Amount specified in the Final Terms (in the case of any other call option).

If the Optional Redemption Amount in respect of a Note is specified in the Final Terms as being the Special Redemption Amount, you will receive an amount calculated with reference to the then current yield of a benchmark government security (such as a UK gilt, a U.S. Treasury or a German *bund*), as adjusted to reflect the difference in creditworthiness of the Issuer and the relevant government. The Special Redemption Amount is intended to produce an amount that, if reinvested in the government security, would continue to give you a yield on the money you originally invested equivalent to the yield that you would have received if the Notes had not been redeemed by the Issuer.

Put Options

A put option gives you the right to require the Issuer to redeem one or more of your Notes before the final maturity date at a predetermined cash price on a specified date(s). If you elect to exercise the put option in respect of one or more of your Notes, you will be paid the redemption amount specified in the Final Terms plus any accrued but unpaid interest. Notes that are not sold shall continue until the final maturity date. The terms of any additional put options will be set out in the Final Terms. Following the exercise by you of a put option, in respect of that Note, as well as any accrued but unpaid interest, you will receive an amount equal to the Early Redemption Amount specified in the Final Terms (in the case of a Redemption on change of ownership of the Issuer) or the Optional Redemption Amount specified in the Final Terms (in the case of any other put option).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been approved by the FCA or filed with it shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2017, and the related auditors' report (set out on pages 100 to 161 of the Issuer's annual report for the financial year ended 31 December 2017);
- (b) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2016, and the related auditors' report (set out on pages 102 to 168 of the Issuer's annual report for the financial year ended 31 December 2016);
- (c) the unaudited consolidated financial statements of the Issuer for the six months ended 30 June 2018, and the auditors' independent review report thereon (set out on pages 8 to 48 of the Issuer's interim report for the six months ended 30 June 2018);
- (d) the Terms and Conditions of the Notes contained in the Offering Circular published by the Issuer dated 25 August 2017 (pages 90-120 inclusive); and
- (e) the Terms and Conditions of the Notes contained in the Offering Circular published by the Issuer dated 11 October 2012 (pages 76-102 inclusive),

save that any statement contained herein, or in a document which is deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular are available on the website of the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and can also be obtained, free of charge, from the registered office of the Issuer.

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

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

SUPPLEMENTS AND NEW OFFERING CIRCULARS

In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes arising or being noted between the approval of this Offering Circular by the UK Listing Authority and the commencement of trading of such Notes on any European Economic Area Member State stock exchange or the final closing of the offer of such Notes to the public in any European Economic Area Member State, as the case may be, the Issuer will prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with such Notes and any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will initially be represented by a temporary global Note without interest coupons or talons, or a permanent global Note without interest coupons or talons, in each case as specified in the applicable Final Terms. If the global Notes are intended to be issued in new global note form (NGN form), as stated in the applicable Final Terms, the temporary global Note or, as the case may be, the permanent global Note will be delivered on the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream, Luxembourg. If the global Notes are not intended to be issued in NGN form, as stated in the applicable Final Terms, the temporary global Note or, as the case may be, the permanent global Note will be delivered on the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system.

Where the global Notes issued in respect of any Tranche are in NGN form, the ICSDs (Euroclear and Clearstream, Luxembourg) will be notified by or on behalf of the Issuer whether or not such global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a temporary global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not US persons or persons who have purchased for resale to any US person, as required by US Treasury regulations, has been received by Clearstream, Luxembourg and/or Euroclear and Clearstream, Luxembourg and/or Euroclear, as applicable, has given a like certification (based on the certifications it has received) to the Agent (as defined in the Conditions). Any reference in this section “*Form of the Notes*” to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Agent and the Trustee.

On and after the date (the **Exchange Date**) which is 40 days after the date on which any temporary global Note is issued, interests in such temporary global Note will be exchangeable (free of charge) upon a request as described therein either for interests in a permanent global Note without interest coupons or talons or for definitive Notes with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given. If any further Notes to be consolidated and form a single Series with any series of outstanding Notes are issued prior to the exchange of interests in the temporary global Note for interests in the permanent global Note representing such outstanding Notes, then the Exchange Date may be extended, without the consent of the holders, to a date which is not earlier than 40 days after the date of issue of such further Notes provided that the Exchange Date would not thereby fall on or after the first interest payment date for such outstanding Notes. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification exchange of the temporary global Note is improperly withheld or refused. Pursuant to the Agency Agreement (as defined in the Conditions) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code and International Securities Identification Number (**ISIN**) by Clearstream, Luxembourg and Euroclear which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least 40 days (as notified by the Agent to the relevant Dealer or, in the case of a syndicated issue, the lead manager) after the completion of the distribution of the Notes of such Tranche.

Payments of principal, interest (if any) and any other amount payable in respect of the Notes on a permanent global Note will be made through Clearstream, Luxembourg and/or Euroclear (against presentation or surrender (as the case may be) of such permanent global Note if the permanent global Note is not intended to be issued in NGN form) without any requirement for certification. The applicable Final Terms will specify that either (i) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon not less than 60 days’ written notice from

Clearstream, Luxembourg and/or Euroclear (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. **Exchange Event** means (i) an Event of Default has occurred and is continuing, (ii) either Clearstream, Luxembourg or Euroclear has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by such permanent global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Clearstream, Luxembourg and/or Euroclear (acting on the instructions of any holder of an interest in such permanent global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Agent.

Global Notes and definitive Notes will be constituted by, or pursuant to, the Trust Deed and issued in accordance with the provisions of the Agency Agreement.

The following legend will appear on all global Notes with an original maturity of more than one year, and on all definitive Notes, interest coupons and talons relating to such Notes:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986.”

The sections referred to in the legend provide that any United States person (as that term is defined in the U.S. Internal Revenue Code of 1986) will not, with certain exceptions, be permitted to deduct any loss and will not be eligible for favourable capital gains treatment with respect to any gain realised on a sale, exchange or redemption of any Note, interest coupon or talon.

The exchange of a permanent global Note for definitive Notes upon notice from Euroclear and/or Clearstream (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a temporary global note exchangeable for definitive Notes.

CREST Depository Interests

If so specified in the applicable Final Terms, investors may also hold interests in the Notes through CREST through the issuance of CREST Depository Interests. See the section entitled “*Clearing and Settlement— Crest Depository Interests*” in this Offering Circular for more information regarding holding CREST Depository Interests.

APPLICABLE FINAL TERMS

NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY)

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, **IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MiFID II product governance / [Retail investors,] Professional investors and ECPs target market - Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties [, retail clients] and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**) [MiFID II]; **EITHER** [and (ii) all channels for distribution of the Notes to [eligible counterparties and professional clients] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [(ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's/s' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's/s' target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

[Date]

London Stock Exchange Group plc

Legal Entity Identifier (**LEI**): 213800QAUUUP6I445N30

Issue of [] []
under the £2,500,000,000 Euro Medium Term Note Programme

Part A—Contractual Terms

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Offering Circular dated 26 October 2018 which [, as modified by a supplement to the Offering Circular dated [],] constitutes a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. A summary of the Notes (which comprises the summary in the Offering Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in and extracted from, the Offering Circular dated [11 October 2012][25 August 2017], and which are incorporated by reference in the Offering Circular (as defined below). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the

Prospectus Directive and must be read in conjunction with the Offering Circular dated 26 October 2018 [as modified by the supplement to it dated []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. A summary of the Notes (which comprises the summary in the Offering Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>.]

The expression **Prospectus Directive** means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in the Relevant Member State.

1. Issuer: London Stock Exchange Group plc
2. [(i)] Series Number: []
 [(ii)] Tranche Number: []
 [(iii)] Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [23] below, which is expected to occur on or about []][Not Applicable]]
3. Specified Currency: []
4. Aggregate Nominal Amount: []
 (i) Tranche: []
 (ii) Series: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (i) Specified Denominations: []
 (ii) Calculation Amount: []
7. (i) Issue Date: []
 (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [The Interest Payment Date falling in []]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[] month [LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
 [Zero Coupon]
 (further particulars specified in paragraph [14]/[15]/[16] below)
10. Redemption: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount]
11. Change of Interest Basis: [Not Applicable][For the period from (and including) the Interest Commencement Date, up to (but excluding) [], paragraph [14/15] applies and for the period from (and including) [], up to (and including) the Maturity Date, paragraph [14/15] applies]
12. Put/Call Options: [Save as provided in Condition 7(c), not applicable]

[Investor Put pursuant to Condition 7(e)(i)]
 [Change of Control Put pursuant to Condition 7(e)(ii)]
 [Issuer Call pursuant to Condition 7(d)]
 [Issuer Maturity Par Call pursuant to Condition 7(j)]
 [Condition 7(c) also applies]

13. [Date [Board] approval for issuance of Notes obtained: [] [and [] respectively]]

Provisions Relating to Interest (if any) Payable

14. Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
 - (ii) Interest Payment Date(s): [] in each year up to (and including) the Maturity Date
 - (iii) Fixed Coupon Amount(s): [] per Calculation Amount
 - (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] [Not Applicable]
 - (v) Fixed Day Count Fraction: [Actual/Actual (ICMA)/30/360]
 - (vi) Determination Date(s): [[] in each year][Not Applicable]
15. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Dates: []
 - (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
 - (iii) Additional Business Centre(s): [] [Not Applicable]
 - (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
 - (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] [Not Applicable]
 - (vi) Screen Rate Determination: [Applicable/Not Applicable]
 - Reference Rate and Relevant Financial Centre: Reference Rate: [] month
 [LIBOR/EURIBOR]
 Relevant Financial Centre: [London/Brussels/other]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
 - (vii) ISDA Determination: [Applicable/Not Applicable]
 - Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
 - (viii) Linear Interpolation [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period or

| | |
|---|---|
| (ix) Margin(s): | Specified Period shall be calculated using Linear Interpolation] [+/-][] per cent. per annum |
| (x) Minimum Rate of Interest: | [[] per cent. per annum][Not Applicable] |
| (xi) Maximum Rate of Interest: | [[] per cent. per annum][Not Applicable] |
| (xii) Floating Day Count Fraction: | [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond basis] [30E/360 (ISDA)] |
| 16. Zero Coupon Note Provisions: | [Applicable/Not Applicable] |
| (i) Accrual Yield: | [] per cent. per annum |
| (ii) Reference Price: | [] |
| (iii) Day Count Fraction in relation to Early Redemption Amounts: | [30/360] [Actual/360] [Actual/365] |

Provisions Relating to Redemption

| | |
|---|--|
| 17. [(i)] Notice periods for Condition 7(b): | Minimum period: [] days Maximum period: [] days |
| [(ii)] Notice periods for Condition 7(c): | [Minimum period [] days Maximum period: [] days][Not Applicable] |
| 18. Issuer Call: | [Applicable/[Save as provided in Condition 7(c)] [Not Applicable] |
| (i) Optional Redemption Date(s): | [] |
| (ii) Optional Redemption Amount: | [[] per Calculation Amount]/[Special Redemption Amount] |
| (iii) Specified Time for Special Redemption Amount: | []/[Not Applicable] |
| (iv) Redemption Margin: | [[] per cent.]/[Not Applicable] |
| (v) If redeemable in part: | (a) Minimum Redemption Amount: [[] per Calculation Amount][Not Applicable] (b) Maximum Redemption Amount: [[] per Calculation Amount][Not Applicable] |
| (vi) Notice periods: | Minimum period: [] days Maximum period: [] days |
| 19. Investor Put: | [Applicable/Not Applicable] |
| (i) Optional Redemption Date(s): | [] |
| (ii) Optional Redemption Amount(s): | [] per Calculation Amount |
| (a) Minimum Optional Redemption | [[] per Calculation Amount][Not Applicable] |

- Amount:
- (b) Maximum Optional Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (iii) Notice periods: Minimum period: [] days
Maximum period: [] days
20. Change of Control Put: [Applicable/Not Applicable]
- (i) Change of Control Redemption Amount(s): [] per Calculation Amount
- (a) Minimum Change of Control Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (b) Maximum Change of Control Redemption Amount: [[] per Calculation Amount][Not Applicable]
21. Final Redemption Amount: [[] per Calculation Amount]
- (i) Minimum Final Redemption Amount: [] per Calculation Amount][Not Applicable]
- (ii) Maximum Final Redemption Amount: [] per Calculation Amount][Not Applicable]
22. Early Redemption Amount(s) payable on redemption for taxation reasons, indexation reasons or on event of default: [[] per Calculation Amount]/[In accordance with Condition 7(f)]
- (i) Minimum Early Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (ii) Maximum Early Redemption Amount: [[] per Calculation Amount][Not Applicable]

General Provisions Applicable to the Notes

23. (i) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]
[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event].]
[CREST Depository Interests (CDIs) representing the Notes may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited (CREST)]
Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.
- (ii) New Global Note: [Yes] [No]
24. Additional Financial Centre(s): [Not Applicable/[]]

THIRD PARTY INFORMATION

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of London Stock Exchange Group plc:

By: _____
Duly authorised

Part B—Other Information

- 1. LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market [and through the London Stock Exchange’s electronic order book for retail bonds (**ORB**) and listing on the Official List of the UK Listing Authority with effect from [].] [Not Applicable.]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market [and through the London Stock Exchange’s electronic order book for retail bonds (**ORB**)] and listing on the Official List of the UK Listing Authority with effect from [].] [Not Applicable.]
- [] will be appointed as registered market maker[s] through ORB (<http://www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html>) when the Notes are issued. Market-making will be supported by [] on [the bondscape platform (www.bondscape.net)/ []]
- [Application is expected to be made to the Commissione Nazionale per le Società e la Borsa (**CONSOB**) in its capacity as competent authority for the Notes to be admitted to the official list maintained by the CONSOB and to the Borsa Italiana S.p.A. (**Borsa Italiana**) for such Notes to be admitted to trading on Borsa Italiana’s regulated market[, and where relevant, through the electronic bond market (**MOT**) operated by Borsa Italiana]]
- 2. RATINGS**
- Ratings: [Not Applicable] [The Notes to be issued [[have been]/[are expected to be]] rated [] by []]
- 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
- [Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.
- 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**
- [(i) Reasons for the offer: [To refinance indebtedness and for its general corporate purposes]
- [(ii) Estimated net proceeds: []]
- [(iii) Estimated total expenses: []]
- 5. [YIELD (*Fixed Rate Notes only*)]** []
- Indication of yield: [Calculated as [] on the Issue Date.]
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. [HISTORIC INTEREST RATES]

[Details of historic [LIBOR/EURIBOR/] rates can be obtained from [Reuters].]

7. POST-ISSUANCE INFORMATION

The Issuer [intends to provide post-issuance information. The following post-issuance information will be reported: [] and can be obtained from [] [does not intend to provide post-issuance information.]

8. OPERATIONAL INFORMATION

(i) ISIN: []

(ii) Common Code: []

(iii) CFI: [][Not Applicable]

(iv) FISN: [][Not Applicable]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")

(v) Names(s) and address(es) of any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[]]

[The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): []/[Not Applicable]

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes]/[No]/[Not Applicable]

[Note that the designation “yes” means that the Notes are intended upon issue to be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the “ICSDs”) as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/[Note that the designation “no” means that should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting such criteria, the Notes may then be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the “ICSDs”) as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

9. DISTRIBUTION

(i) Names and addresses of Manager[s]/relevant Dealer and underwriting commitment(s)/quota(s): [Not Applicable]/[]

- (ii) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
- (iii) Date of subscription/underwriting Agreement: []
- (iv) Total commission and concession: [] per cent. of the Aggregate Nominal Amount
- (v) US Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C]
- (vi) Public Offer where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus: [Applicable] [Not Applicable]
- (vii) Public Offer jurisdiction: []
- (viii) Offer Period: [] until []
- (ix) Financial intermediaries granted specific consent to use the Offering Circular in accordance with the Conditions in it: []
- (x) General Consent: [Not Applicable] [Applicable]
- (xi) Other terms to which the Consent is subject: [Not Applicable] []
- (xii) Stabilising Manager(s) (if any): [Not Applicable] []
- (xiii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

- (xiv) Relevant Benchmark: [[LIBOR/EURIBOR/[]] is provided by [ICE Benchmark Administration Limited/European Money Markets Institute/[]]. As at the date hereof, [[LIBOR/EURIBOR/[]] [[appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).] [[As far as the Issuer is aware, as at the date hereof, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [European Money Markets Institute/[]] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)] OR [[*relevant bank*/[]] does not fall within the scope of the Benchmarks Regulation]]/[Not Applicable]

10. TERMS AND CONDITIONS OF THE OFFER

- (i) Offer Price: [Issue Price/Not applicable/[]]
- (ii) Conditions to which the offer is subject: [Not applicable/[]]
- (iii) Description of the application process: [Not applicable/[]]
- (iv) Details of the minimum and/or maximum amount of application: [Not applicable/[]]
- (v) Description of possibility to reduce subscriptions and manner for refunding: [Not applicable/[]]

excess amount paid by applicants:

- (vi) Details of the method and time limits for paying up and delivering the Notes: [Not applicable/[]]
- (vii) Manner in and date on which results of the offer are to be made public: [Not applicable/[]]
- (viii) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable/[]]
- (ix) Whether tranche(s) have been reserved for certain countries: [Not applicable/[]]
- (x) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable/[]]
- (xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/[]]
- (xii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [The Financial Intermediaries identified in or in the manner specified in paragraph 9 above and identifiable from the Offering Circular/None/[]]
- (xiii) [Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:] [None/[]]
- (xiv) [Categories of potential investors to which the Notes are offered: [Offers or solicitations may be made by the Authorised Offeror during the Offer Period set out above to any person []. No offer or solicitation in respect of the Notes shall be made by the Managers [and/or the Financial Intermediaries] except pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus (a) in any other Member State of the European Economic Area or (b) after the Offer Period set out above has ended.]]

ISSUE SPECIFIC SUMMARY
[]

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of [Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, **IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[MIFID II product governance / Professional investors and ECPs only target market Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]/[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[Date]

London Stock Exchange Group plc
Legal Entity Identifier (LEI): 213800QAUUUP6I445N30
Issue of [] []
under the £2,500,000,000 Euro Medium Term Note Programme

Part A—Contractual Terms

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes set forth in the Offering Circular dated 26 October 2018 which [, as modified by a supplement to the Offering Circular dated [],] constitutes a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in and extracted from, the Offering Circular dated [11 October 2012][25 August 2017], and which are incorporated by reference in the Offering Circular (as defined below). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 26 October 2018 [as modified by the supplement to it dated [],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>.]

The expression Prospectus Directive means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in the Relevant Member State.

1. Issuer: London Stock Exchange Group plc
2. [(i)] Series Number: []
 [(ii)] Tranche Number: []
 [(iii)] Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [24] below, which is expected to occur on or about []][Not Applicable]
3. Specified Currency: []
4. Aggregate Nominal Amount: []
 (i) Tranche: []
 (ii) Series: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (i) Specified Denominations: []
 (ii) Calculation Amount: []
7. (i) Issue Date: []
 (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [The Interest Payment Date falling in []]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[] month [LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
 [Zero Coupon]
 [RPI-Linked Interest]
 (further particulars specified in paragraph [14]/[15]/[16]/[17] below)
10. Redemption: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] per cent. of their nominal amount]
 [RPI-Linked Redemption]
11. Change of Interest Basis: [Not Applicable][For the period from (and including) the Interest Commencement Date, up to (but excluding) [], paragraph [14/15] applies and for the period from (and including) [], up to (and including) the Maturity Date, paragraph [14/15] applies]
12. Put/Call Options: [Save as provided in Condition 7(c), not applicable]
 [Investor Put pursuant to Condition 7(e)(i)]
 [Change of Control Put pursuant to Condition 7(e)(ii)]
 [Issuer Call pursuant to Condition 7(d)]
 [Issuer Maturity Par Call pursuant to Condition 7(j)]
 [Condition 7(c) also applies]

13. [Date [Board] approval for issuance of Notes [] [and [] respectively]]
obtained:

Provisions Relating to Interest (if any) Payable

14. Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year up to (and including) the Maturity Date
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] [Not Applicable]
- (v) Fixed Day Count Fraction: [Actual/Actual (ICMA)/30/360]
- (vi) Determination Date(s): [[] in each year][Not Applicable]
15. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (iii) Additional Business Centre(s): [] [Not Applicable]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] [Not Applicable]
- (vi) Screen Rate Determination: [Applicable/Not Applicable]
—Reference Rate and Relevant Financial Centre: Reference Rate: [] month
[LIBOR/EURIBOR]
Relevant Financial Centre: [London/Brussels/other]
—Interest Determination Date(s): []
—Relevant Screen Page: []
- (vii) ISDA Determination: [Applicable/Not Applicable]
—Floating Rate Option: []
—Designated Maturity: []
—Reset Date: []
- (viii) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period or Specified Period shall be calculated using Linear Interpolation.]
- (ix) Margin(s): [+/-][] per cent. per annum
- (x) Minimum Rate of Interest: [[] per cent. per annum] [Not Applicable]
- (xi) Maximum Rate of Interest: [[] per cent. per annum] [Not Applicable]
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)]

| | | |
|-----|---|--|
| | | [Actual/Actual] |
| | | [Actual/365 (Fixed)] |
| | | [Actual/360] |
| | | [30/360][360/360][Bond Basis] |
| | | [30E/360][Eurobond basis] |
| | | [30E/360 (ISDA)] |
| 16. | Zero Coupon Note Provisions: | [Applicable/Not Applicable] |
| | (i) Accrual Yield: | [] per cent. per annum |
| | (ii) Reference Price: | [] |
| | (iii) Day Count Fraction in relation to Early Redemption Amounts: | [30/360] |
| | | [Actual/360] |
| | | [Actual/365] |
| 17. | RPI-Linked Note Provisions: | [Applicable—[Condition 4(c)] [and] [Condition 5] [apply/applies]][Not Applicable] |
| | (i) Rate of Interest: | [[] per cent. per annum][Not Applicable] |
| | (ii) Name and address of Calculation Agent: | [] |
| | (iii) Party responsible for calculating the Interest Amounts and Redemption Amount(s) (if not the Calculation Agent): | [] [Not Applicable] |
| | (iv) Specified Period(s)/Specified Interest Payment/Specified Determination Date(s): | [] [Not Applicable] |
| | (v) Business Day Convention: | [Not Applicable/Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] |
| | (vi) Additional Business Centre(s): | [] [Not Applicable] |
| | (vii) Day Count Fraction: | [Actual/Actual (ICMA)] |
| | | [30/360 (as set out in Condition 4(a))] |
| | | [Actual/Actual (ISDA)] |
| | | [Actual/Actual] |
| | | [Actual/365 (Fixed)] |
| | | [Actual/360] |
| | | [30/360 (as set out in Condition 4(b))] |
| | | [360/360][Bond Basis] |
| | | [30E/360][Eurobond basis] |
| | | [30E/360 (ISDA)] |
| | | [Not Applicable] |
| | (viii) Determination Dates: | [[] in each year][Not Applicable] |
| | (ix) Base Index Figure: | [] |
| | (x) Index Figure applicable to: | [particular month: paragraph (i) of the definition of “Index Figure applicable” applies] [first calendar day of any month: paragraph (ii) of the definition of |

“Index Figure applicable” applies] [[] in any month: paragraph (iii) of the definition of “Index Figure applicable” applies]

(xi) Reference Gilt: [[] per cent. Index-Linked Treasury Stock due []/[]]

Provisions Relating to Redemption

18. [(i)] Notice Periods for Condition 7(b): Minimum period: [] days
Maximum period: [] days
[(ii)] Notice Periods for Condition 7(c): [Minimum period: [] days
Maximum period: [] days][Not Applicable]
19. Issuer Call: [Applicable/[Save as provided in Condition 7(c)]]
[Not Applicable]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [[] per Calculation Amount]/[Special Redemption Amount]
- (iii) Specified Time for Special Redemption Amount: []/[Not Applicable]
- (iv) Redemption Margin: [[] per cent.]/[Not Applicable]
- (v) If redeemable in part:
- (a) Minimum Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (b) Maximum Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (vi) Notice Periods: Minimum period: [] days
Maximum period: [] days
20. Investor Put: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s): [] per Calculation Amount
- (a) Minimum Optional Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (b) Maximum Optional Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (iii) Notice Periods: Minimum period: [] days
Maximum period: [] days
21. Change of Control Put: [Applicable/Not Applicable]
- (i) Change of Control Redemption Amount(s): [] per Calculation Amount
- (a) Minimum Change of Control Redemption Amount: [[] per Calculation Amount][Not Applicable]
- (b) Maximum Change of Control Redemption Amount: [[] per Calculation Amount][Not Applicable]
22. Final Redemption Amount: [[] per Calculation Amount]
- (i) Minimum Final Redemption Amount: [] per Calculation Amount][Not Applicable]
- (ii) Maximum Final Redemption Amount: [] per Calculation Amount][Not Applicable]
23. Early Redemption Amount(s) payable on [[] per Calculation Amount]/[In accordance with

redemption for taxation reasons, indexation reasons or on event of default: Condition 7(f)]

(i) Minimum Early Redemption Amount: [[] per Calculation Amount][Not Applicable]

(ii) Maximum Early Redemption Amount: [[] per Calculation Amount][Not Applicable]

General Provisions Applicable to the Notes

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

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

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

Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgium Law of 14 December 2005.

(ii) New Global Note: [Yes] [No]

25. Additional Financial Centre(s): [Not Applicable/[]]

THIRD PARTY INFORMATION

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of London Stock Exchange Group plc:

By: _____
Duly authorised

Part B—Other Information

- 1. LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market [and listing on the Official List of the UK Listing Authority with effect from []].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market and listing on the Official List of the UK Listing Authority with effect from [].] [Not Applicable.]
- [Application is expected to be made to the Commissione Nazionale per le Società e la Borsa (**CONSOB**) in its capacity as competent authority for the Notes to be admitted to the official list maintained by the CONSOB and to the Borsa Italiana S.p.A. (**Borsa Italiana**) for such Notes to be admitted to trading on Borsa Italiana’s regulated market[, and where relevant, through the electronic bond market (**MOT**) operated by Borsa Italiana]]
- 2. RATINGS**
- Ratings: [Not Applicable] [The Notes to be issued [[have been]/[are expected to be]] rated [] by []]
- 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
- [Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]
- 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**
- [(i) Reasons for the offer: [To refinance indebtedness and for its general corporate purposes]
- [(ii) Estimated net proceeds: []]
- [(iii) Estimated total expenses: []]
- 5. [YIELD (*Fixed Rate Notes only*)]** [Calculated as [] on the Issue Date.]
- Indication of yield: The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
- 6. HISTORIC INTEREST RATES**
- Details of historic [*LIBOR/EURIBOR*] rates can be obtained from [Reuters].
- 7. POST-ISSUANCE INFORMATION**
- The Issuer [intends to provide post-issuance information. The following post-issuance information will be reported: [] and can be obtained from [] [does not intend to provide post-issuance information.]
- 8. OPERATIONAL INFORMATION**
- (i) ISIN: []
- (ii) Common Code: []
- (iii) CFI: [] [Not Applicable]
- (iv) FISN: [] [Not Applicable]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")

- (v) Names(s) and address(es) of any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable] []
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []/[Not Applicable]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes]/[No]/[Not Applicable]
- [Note that the designation “yes” means that the Notes are intended upon issue to be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the “ICSDs”) as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/[Note that the designation “no” means that should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting such criteria, the Notes may then be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. (the “ICSDs”) as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

9. DISTRIBUTION

- (i) Names and addresses of Manager[s] and underwriting commitments: [Not Applicable]/[]
- (ii) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
- (iii) Date of underwriting Agreement: []
- (iv) US Selling Restrictions: [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C]
- (v) Stabilising Manager(s) (if any): [Not Applicable] []
- (vi) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
- (N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)*
- (vii) Benchmark Regulation [[LIBOR/EURIBOR/[]] is provided by [ICE Benchmark Administration Limited/European Money Markets Institute/[]]. As at the date hereof, [[LIBOR/EURIBOR/[]] [[appears]/[does

not appear]] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).] [[As far as the Issuer is aware, as at the date hereof, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [European Money Markets Institute/[]] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)] OR [[*relevant bank*/[]] does not fall within the scope of the Benchmarks Regulation]]/[Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to “Applicable Final Terms” above for the form of Final Terms which will include the meaning of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by London Stock Exchange Group plc (the **Issuer**) constituted by an amended and restated Trust Deed dated 25 August 2017 (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between the Issuer and HSBC Corporate Trustee Company (UK) Limited (the **Trustee**, which expression shall include any successor as trustee).

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

- (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency;
- (ii) definitive Notes issued in exchange for a global Note; and
- (iii) any global Note.

The Notes and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement dated 25 August 2017 (as modified and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made among the Issuer, HSBC Bank plc, as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent specified in the applicable Final Terms), any other paying agent named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and the Trustee.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices. The following statements include summaries of, and are subject to, the detailed provisions of the Trust Deed and the applicable Final Terms. Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the principal office of the Principal Paying Agent at 8 Canada Square, London E14 5HQ, and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing and copies may be obtained from the registered office of the Issuer and from the specified office of the Paying Agents during normal business hours. The applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of

the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>).

The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are binding on them.

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

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denomination(s) (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

This Note may be an RPI-Linked Redemption Note depending on the Redemption Basis shown in the applicable Final Terms.

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

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Trustee, the Agent and any other Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph. For so long as any of the Notes is represented by a global Note held on behalf of Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or Euroclear Bank SA/NV (**Euroclear**) each person (other than Clearstream, Luxembourg or Euroclear) who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error), shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes, other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or of Euroclear, as the case may be. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

References to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Agent and specified in Part B of the applicable Final Terms.

2. Status of the Notes

The Notes and the relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other outstanding unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. Negative Pledge

So long as any of the Notes remain outstanding (as defined in the Trust Deed) the Issuer shall not create or permit to be outstanding any mortgage, charge, lien (other than a lien arising by operation of law), pledge or other security interest (each a **Security Interest**) upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

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

For the purpose of this Condition 3, **Relevant Indebtedness** means (i) any indebtedness for borrowed money having an original maturity of more than one year, which is evidenced by bonds, notes, debentures or other securities which, with the consent of the Issuer, are, or are intended to be, listed or traded on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness.

4. Interest

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or RPI-Linked Interest Notes or a combination thereof.

- (a) *Interest on Fixed Rate Notes:* This Condition 4(a) applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4(a) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Fixed Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

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

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

- (A) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

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

In these Conditions:

Fixed Day Count Fraction means:

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

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

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

(b) *Interest on Floating Rate Notes:* This Condition 4(b) applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4(b) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centre(s), whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where (a) ISDA Determination applies to the calculation

of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date, and (b) Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

- (i) *Interest Payment Dates*: Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:
- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
 - (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, **Business Day** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each place as is specified in the applicable Final Terms as an Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is New Zealand dollars or Australian dollars, shall be Auckland and Sydney, respectively) or (2) in relation to any sum payable in euro, a day on which the

TARGET2 System is open. In these Conditions, **TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(ii) *Rate of Interest:* The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes:* Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes and as published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and under which: (1) the Floating Rate Option is as specified in the applicable Final Terms; (2) the Designated Maturity is a period specified in the applicable Final Terms; and (3) the relevant Reset Date is the day specified in the applicable Final Terms.

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

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

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

- (1) the rate or offered quotation (if there is only one rate or offered quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or offered quotations,

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

The expression **Reference Rate** means EURIBOR or LIBOR as specified in the applicable Final Terms and the expression **Relevant Screen Page** means such page, whatever its designation, on which the Reference Rate that is for the time being displayed on the Reuters Monitor Money Rates Service or Dow Jones Market Limited or such other service, as specified in the applicable Final Terms.

In the case of (1) above, if the Relevant Screen Page is not available or the quotation or quotations required by the Conditions are unavailable the Agent shall request the principal London office (in the case of LIBOR), or the principal Euro-zone office (in the case of EURIBOR) of each of the Reference Banks (as defined below) to provide the Agent with its

offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the relevant Interest Period at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place with 0.00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

In the case of (2) above, if on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, deposits in the Specified Currency for the relevant Interest Period by leading banks in the London interbank market (if the Reference Rate is LIBOR), or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR), or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

The expression **Reference Banks** means, in the case of (1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

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

- (iii) *Minimum and/or Maximum Interest Rate:* If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.
- (iv) *Determination of Rate of Interest and calculation of Interest Amounts:* The Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

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

- (A) in the case of Floating Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions, **Floating Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period in accordance with this Condition 4(b):

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

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

- (vii) *Notification of Rate of Interest and Interest Amounts:* The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the other Paying Agents and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 in each case as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the

expression **London Business Day** means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in London.

- (viii) *Linear interpolation:* Where Linear Interpolation is specified as applicable in respect of an Interest Period or Specified Period in the applicable Final Terms, the Rate of Interest for such Interest Period or Specified Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity (as defined below) were the period of time for which rates are available next shorter than the length of the relevant Interest Period or Specified Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period or Specified Period, provided however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate. For the purposes of this paragraph, the expression **Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.
- (ix) *Determination or Calculation by Trustee:* If for any reason the Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest or the Agent defaults in its obligation to calculate any Interest Amount in accordance with sub-paragraph (ii)(A) or (B) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (iv) above, the Trustee (or an agent appointed by the Trustee) shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent (and, where practicable, in accordance with this Condition).
- (x) *Certificates to be Final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or the Trustee shall (in the absence of negligence, fraud or wilful default) be binding on the Issuer, the Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence of negligence, fraud or wilful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on RPI-Linked Interest Notes:* This Condition 4(c) applies to RPI-Linked Interest Notes only. The applicable Final Terms contains provisions applicable to the determination of RPI-linked interest and must be read in conjunction with this Condition 4(c) and Condition 5 for full information on the manner in which interest is calculated on the RPI-Linked Interest Notes. In particular, the applicable Final Terms will identify the Interest Commencement Date, any Specified Interest Payment Dates, any Specified Period, any applicable Business Day Convention, any Additional Business Centres, the Rate of Interest, the party who will calculate the amount of interest due if it is not the Agent and the applicable Day Count Fraction.

- (i) *Interest Payment Dates:* Each RPI-Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:
 - (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
 - (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period

specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 4(c)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, **Business Day** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
 - (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is New Zealand dollars or Australian dollars, shall be Auckland and Sydney, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.
- (ii) *Rate of Interest:* The Rate of Interest payable from time to time in respect of RPI-Linked Interest Notes will be as specified in the applicable Final Terms. Amounts of interest payable in respect of RPI-Linked Interest Notes determined by reference to the applicable Rate of Interest shall be subject to adjustment in accordance with Condition 5(b).
- (iii) *Determination of applicable Index Ratio and calculation of Interest Amounts:* The Calculation Agent will, at or as soon as practicable after each time at which the Index Ratio applicable to any payment of interest in respect of the Notes becomes capable of being determined, determine the Index Ratio applicable to the relevant payment of interest.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the RPI-Linked Interest Notes in respect of any period by applying the Rate of Interest to:

- (A) in the case of RPI-Linked Interest Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note;
or
- (B) in the case of RPI-Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by (1) the applicable Fixed Day Count Fraction (as defined in Condition 4(a)) or Floating Day Count Fraction (as defined in Condition 4(b)) and (2) the applicable Index Ratio in accordance with Condition 5(b), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of an RPI-Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

- (iv) *Notification of Interest Amounts:* The Calculation Agent will notify the Agent of the Interest Amount in respect of each Interest Period as soon as practicable after determining the same but in no event later than the second London Business Day (as defined in Condition 4(b)(vii)) and the Agent will cause the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the other Paying Agents and any stock exchange on which the relevant RPI-Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15, in each case as soon as possible after having been notified of the Interest Amount by the Calculation Agent but in no event later than the fourth London Business Day (as defined in Condition 4(b)(vii)) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant RPI-Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15.
 - (v) *Determination or Calculation by Trustee:* If for any reason the Calculation Agent at any time after the Issue Date defaults in its obligation to (A) determine the Index Ratio applicable to any payment of interest in respect of the Notes or (B) calculate any Interest Amount for any Interest Period(s), in each case in accordance with sub-paragraph (iii) above or as otherwise specified in the applicable Final Terms, as the case may be, the Trustee (or an agent appointed by the Trustee) shall determine the Index Ratio applicable to the relevant payment at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition and to the provisions of Condition 5), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) for the relevant period(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent (and, where practicable, in accordance with this Condition).
 - (vi) *Certificates to be Final:* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c), whether by the Calculation Agent, the Agent or the Trustee, shall (in the absence of negligence, fraud or wilful default) be binding on the Issuer, the Calculation Agent, the Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence of negligence, fraud or wilful default) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent, the Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (d) *Accrual of Interest:* Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

(e) *Benchmark Discontinuation*: Notwithstanding the provisions in Condition 4(b), if the Issuer determines that a Benchmark Event (as defined below) has occurred or the Issuer considers that there may be a Successor Rate (as defined below) when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine, no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) and (in either case) any Adjustment Spread for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
- (ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate and (in either case) any Adjustment Spread;
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(e); *provided however*, that if sub-paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of and to adjustment as provided in, this Condition 4(e);
- (iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also (without the consent or approval of Noteholders) specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate (as the case may be) and (in either case) any Adjustment Spread. If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines that an Adjustment Spread (as defined below) is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (v) if any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(e) and the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines (i) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(e)(vi) below, without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. At the request of the

Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 4(e)(vi) below, the Trustee (and to the extent necessary, the Agent) shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed and, if required, the Agency Agreement), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way; and

- (vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) or Adjustment Spread and the specific terms of any Benchmark Amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement, promptly give notice thereof to the Trustee, the Agent, the Calculation Agent and the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(e).

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents and the Noteholders.

An Independent Adviser appointed pursuant to this Condition 4(e) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(e).

- (vii) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(e), whether by the Agent or the Trustee, shall (in the absence of manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

For the purposes of this Condition 4(e):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body (as defined below); or

- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable) determines (acting in good faith) to be appropriate;

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its sole discretion is most comparable to the relevant Reference Rate;

Benchmark Event means:

- (i) the Reference Rate ceases to be published or ceases to exist; or
- (ii) a public statement by the administrator of the Reference Rate that it will, by a specified date within the following six months, cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Reference Rate that means the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for any Paying Agent, Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Reference Rate (including, without limitation, under Regulation (EU) No. 2016/2101, if applicable);

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

Relevant Nominating Body means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

Successor Rate means the rate that the Independent Adviser or the Issuer determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

5. Indexation

This Condition 5 is applicable only if the applicable Final Terms specifies the Notes as RPI-Linked Interest Notes and/or RPI-Linked Redemption Notes.

(a) *Definitions:*

Base Index Figure means (subject to Condition 5(c)(i)) the Base Index Figure specified in the applicable Final Terms;

Index or **Index Figure** means, subject as provided in Condition 5(c)(i), the UK Retail Prices Index (**RPI**) (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the UK Retail Prices Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. Any reference in these Conditions and/or the applicable Final Terms to the **Index Figure applicable** to a month or date shall, subject in each case as provided in Conditions 5(c) and 5(e):

- (i) if the applicable Final Terms specify the Index Figure applicable to a particular month, be construed as a reference to the Index Figure published in the seventh month prior to that particular month and relating to the month before that of publication; or
- (ii) if the applicable Final Terms specify the Index Figure applicable to the first calendar day of any month, be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (iii) if the applicable Final Terms specify the Index Figure applicable to any other day in any month be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the specified day falls, calculated as described in sub-paragraph (ii) above, and (y) the Index Figure applicable to the first calendar day of the month following the month in which the specified day falls, calculated as described in sub-paragraph (ii) above, and rounded to the nearest fifth decimal place (0.000005 being rounded upwards);

Index Ratio applicable to any month or date, as the case may be, means the Index Figure applicable to such month or date, as the case may be, divided by the Base Index Figure and rounded to the nearest fifth decimal place (0.000005 being rounded upwards); and

Reference Gilt means the Treasury Stock specified in the applicable Final Terms for so long as such stock is in issue, and thereafter such issue of index-linked Treasury Stock determined to be appropriate by a gilt-edged market maker or other adviser selected by the Issuer (an **Indexation Adviser**).

(b) *Application of the Index Ratio:*

Each payment of (A) in the case of RPI-Linked Interest Notes, interest and (B) in the case of RPI-Linked Redemption Notes, principal in respect of the Notes shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio applicable to the month or date, as the case may be, in or on which such payment falls to be made and rounded in accordance with Condition 4(c)(iii) provided that, in the case of RPI-Linked Redemption Notes:

- (i) if a Minimum Final Redemption Amount, Minimum Early Redemption Amount, Minimum Change of Control Redemption Amount and/or Minimum Optional Redemption Amount is specified in the applicable Final Terms and such amount is greater than the amount of principal in respect of the Notes determined in accordance with this Condition 5(b) (expressed on a per Calculation Amount basis), the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount and/or Optional Redemption Amount (as applicable) shall be, respectively, the Minimum Final Redemption Amount, Minimum Early Redemption Amount, Minimum Change of Control Redemption Amount and/or Minimum Optional Redemption Amount (as applicable) so specified in the applicable Final Terms; and/or

- (ii) if a Maximum Final Redemption Amount, Maximum Early Redemption Amount, Maximum Change of Control Redemption Amount and/or Maximum Optional Redemption Amount is specified in the applicable Final Terms and such amount is less than the amount of principal in respect of the Notes determined in accordance with this Condition 5(b) (expressed on a per Calculation Amount basis), the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount and/or Optional Redemption Amount (as applicable) shall be, respectively, the Maximum Final Redemption Amount, Maximum Early Redemption Amount, Maximum Change of Control Redemption Amount or Maximum Optional Redemption Amount (as applicable) so specified in the applicable Final Terms.
- (c) *Changes in Circumstances Affecting the Index:*
- (i) Change in base: If at any time and from time to time the Index is changed by the substitution by the Calculation Agent of a new base therefor, then with effect from the month from and including that in which such substitution takes effect or the first date from and including that on which such substitution takes effect, as the case may be, (A) the definition of “Index” and “Index Figure” in Condition 5(a) shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor), and (B) the new “Base Index Figure” shall be the product of the existing Base Index Figure and the Index Figure applicable to the date on which such substitution takes effect, divided by the Index Figure applicable to the date immediately preceding the date on which such substitution takes effect.
- (ii) Delay in publication of Index if sub-paragraph (i) of the definition of Index Figure is applicable: If the Index Figure which is normally published in the seventh month and which relates to the eighth month (the **relevant month**) before the month in which a payment is due to be made is not published on or before the 14th London Business Day (as defined in Condition 4(b)(vii)) before the date on which such payment is due (the **date for payment**), the Index Figure applicable to the month in which the date for payment falls shall be (A) such substitute index figure (if any) as the Trustee considers (acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Trustee (acting solely on the advice of the Indexation Adviser)) or (B) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 5(c)(i) before the date for payment.
- (iii) Delay in publication of Index if sub-paragraph (ii) and/or (iii) of the definition of Index Figure is applicable: If the Index Figure relating to any month (the **calculation month**) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the 14th London Business Day before the date on which such payment is due (the **date for payment**), the Index Figure applicable for the relevant calculation month shall be (A) such substitute index figure (if any) as the Trustee considers (acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Trustee (acting solely on the advice of the Indexation Adviser)) or (B) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 5(c)(i)) before the date for payment.
- (d) *Application of Changes:*

Where the provisions of Condition 5(c)(ii) or Condition 5(c)(iii) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls or the date for payment, as the case may be, shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 5(c)(ii)(B) or Condition 5(c)(iii)(B), as applicable, the Index Figure

relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while a Note is still outstanding, then:

- (i) in relation to a payment of (A) in the case of RPI-Linked Interest Notes, interest and/or (B) in the case of RPI-Linked Redemption Notes, principal in respect of such Note other than upon final redemption of such Note, the interest and/or principal (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced, as the case may be, by an amount equal to the shortfall or excess, as the case may be, of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 5(c)(ii)(B) or Condition 5(c)(iii)(B) below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the 14th London Business Day before the date for payment; and
 - (ii) in relation to a payment of (A) in the case of RPI-Linked Interest Notes, interest and/or (B) in the case of RPI-Linked Redemption Notes, principal upon final redemption, no subsequent adjustment to amounts paid will be made.
- (e) *Cessation of or Fundamental Changes to the Index:*
- (i) If (1) the Trustee has been notified by the Calculation Agent that the Index has ceased to be published or (2) any change is made to the coverage or the basic calculation of the Index which constitutes a fundamental change as the Calculation Agent will notify to the Issuer and the Trustee which would, in the opinion of (A) the Issuer be materially prejudicial to the interests of the Issuer, or (B) the Trustee (acting solely on the advice of the Indexation Adviser), be materially prejudicial to the interests of the Noteholders, the Trustee will give written notice of such occurrence to the Issuer (in the case of (1) or (2)(B) above) and the Issuer will give written notice of such occurrence to the Trustee (in the event of (2)(A) above), and the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Noteholders in no better and no worse a position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made.
 - (ii) If the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 London Business Days following the giving of notice as mentioned in paragraph (i), a bank or other person in London nominated by the Issuer and approved by the Trustee (acting solely on the advice of the Indexation Adviser) shall be appointed by the Issuer or, failing agreement on the making of such appointment within 20 London Business Days following the expiry of the 20 London Business Day period referred to above and subject to Condition 5(f), by the Trustee (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the **Expert**), to determine for the purpose of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Noteholders in no better and no worse a position than they would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Trustee in connection with such appointment shall be borne by the Issuer.
 - (iii) The Index shall be adjusted or replaced by a substitute index as agreed by the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, with effect from such date as may be agreed by the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) or as determined by the Expert, as the case may be, and references in these Conditions to the "Index" and to any "Index Figure" shall be deemed amended in such manner as the Trustee (acting solely on the advice of the Indexation Adviser) and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be binding upon the Issuer, the Trustee, the Noteholders and the Couponholders, and the Issuer shall give notice to the Noteholders in accordance with Condition 15 of such amendments as promptly as practicable following such agreement or determination.

(f) *Trustee Action and/or Steps*

The Trustee shall not be obliged to take any action and/or steps described in this Condition 5 unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all fees, expenses or other liabilities which may be incurred by it in connection with such action or steps.

6. Payments

(a) *Method of Payment:*

Subject as provided below:

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

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

(b) *Presentation of definitive Notes and Coupons:*

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

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

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

Upon the date on which any Floating Rate Note, RPI-Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

(c) *Payments in respect of global Notes:*

Payments of principal, premium and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable, against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent. A record of each payment made, distinguishing between any payment of principal, premium and any payment of interest, will be made either on such global Note by such Paying Agent or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) *General provisions applicable to payments:*

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

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Note is payable in US dollars, such US dollar payments of principal and/or interest in respect of this Note will be made at the specified office of a Paying Agent in the United States if:

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

(e) *Payment Day:*

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) each Additional Financial Centre specified in the applicable Final Terms; and

- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is New Zealand dollars or Australian dollars, shall be Auckland and Sydney, respectively) or (2) in relation to any sum payable in euro a day on which the TARGET2 System is open.

(f) *Interpretation of Principal and Interest:*

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

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

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

7. Redemption and Purchase

(a) *At Maturity:*

Unless previously redeemed or purchased and surrendered for cancellation as specified below, each Note (including each RPI-Linked Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms (subject, in the case of RPI-Linked Redemption Notes, to adjustment in accordance with Condition 5(b)) in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons:*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an RPI-Linked Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an RPI-Linked Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of the aforementioned notice that:

- (i) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom, or any political subdivision or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes, on the next Interest

Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 8; and

- (ii) such requirement 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 Notes then due.

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

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

- (c) *Redemption for Index Reasons:*

In the case of RPI-Linked Redemption Notes, if either (i) the Index Figure for three consecutive months is required to be determined on the basis of an Index Figure previously published as provided in Condition 5(c)(ii)(B) or Condition 5(c)(iii)(B), as applicable, and the Trustee has been notified by the Calculation Agent that publication of the Index has ceased or (ii) notice is published by Her Majesty's Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt, and (in either case) no amendment or substitution of the Index shall have been advised by the Indexation Adviser to the Issuer and such circumstances are continuing, the Issuer may, upon giving not more than the maximum period and not less than the minimum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount referred to in paragraph (f) below together (if applicable) with interest accrued but unpaid to and (but excluding) the date of redemption.

- (d) *Redemption at the Option of the Issuer (Issuer Call):*

This Condition 7(d) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation or indexation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 7(d) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 15 nor more than 30 days' notice (or such other period of notice as is specified in the applicable Final Terms) to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date (that is, if the Issuer Maturity Par Call is specified to be applicable in the applicable Final Terms, more than 90 days prior to the Maturity Date) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued but unpaid to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

If the Special Redemption Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount with respect to the Notes shall be equal to the higher of:

- (a) 100 per cent. of the nominal amount of the Notes being redeemed; or
- (b) the price (as reported to the Issuer and the Calculation Agent by the Financial Adviser and expressed as a percentage) that provides for a Gross Redemption Yield on such Notes on the Reference Date equal (after adjusting for any difference in compounding frequency) to the Gross Redemption Yield provided by the Reference Bonds based on the Reference Bond Rate at the Specified Time on the Reference Date plus the Redemption Margin (if any).

In this Condition 7(d):

Financial Adviser means an independent financial institution of international repute appointed by the Issuer.

Gross Redemption Yield means a yield expressed as a percentage and calculated by the Financial Adviser in accordance with generally accepted market practice.

Redemption Margin shall, if applicable, be as set out in the applicable Final Terms.

Reference Bonds means, as at the Reference Date, the then current on-the-run government securities that would be utilised in pricing new issues of corporate debt securities denominated in the same currency as the Notes, as determined by the Financial Adviser.

Reference Bond Rate means the actual or, where there is more than one Reference Bond, interpolated rate per annum calculated by the Financial Adviser in accordance with generally accepted market practice by reference to the arithmetic mean of the middle market prices provided by three Reference Dealers for the Reference Bond(s) having an actual or interpolated maturity equal to the remaining term of the Notes (if the Notes were to remain outstanding to the Maturity Date).

Reference Date means the fifth London Business Day prior to the Optional Redemption Date.

Reference Dealer means a bank selected by the Issuer or its affiliates in consultation with the Financial Adviser which is (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues.

Specified Time shall be as set out in the applicable Final Terms.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(d), by the Financial Adviser, shall (in the absence of negligence, wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Agent, any other Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Clearstream, Luxembourg and/or Euroclear (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 10 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least 5 days prior to the Selection Date.

(e) *Redemption at the Option of the Noteholders (Investor Put):*

- (i) *Redemption at the Option of the Noteholders (Investor Put) (other than a Change of Control Event Put):* This Condition 7(e)(i) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put

and must be read in conjunction with this Condition 7(e)(i) for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 within the period of not less than 15 nor more than 30 days before the Optional Redemption Date or such other period specified in the applicable Final Terms (the **Notice Period**), the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued but unpaid to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the Notice Period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the Notice Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable unless the Issuer otherwise agrees except where prior to the Optional Redemption Date an Event of Default shall have occurred and the Trustee shall have declared the Notes due and repayable, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice and instead treat its Notes as being forthwith due and repayable pursuant to Condition 10.

(ii) *Redemption at option of the Noteholders on a change of control:* If Change of Control Put Event is specified in the applicable Final Terms, this Condition 7(e)(ii) shall apply.

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

- (i) a Change of Control has occurred; and
- (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the first public announcement made by, or on behalf of or with the agreement of the Issuer of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any):
 - (1) the Notes carry from any Rating Agency a credit rating of BBB-/Baa3 (or equivalent) (an **investment grade rating**) or better, and such rating from any Rating Agency is within the Change of Control Period either downgraded to a credit rating of BB+/Ba1, (or equivalent) (a **non-investment grade rating**), or below, or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated, in either case, to an investment grade rating by such Rating Agency; or

- (2) the Notes carry from any Rating Agency a non-investment grade rating, and such rating from any Rating Agency is within the Change of Control Period either downgraded by one or more notches (by way of example, Baa1 to Baa2 being one notch) or withdrawn and is not within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated, in either case, to its earlier credit rating or better by such Rating Agency; or
- (3) the Notes do not carry a credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if on the Relevant Announcement Date the Notes carry a credit rating from more than one Rating Agency, at least one of which is an investment grade rating, then subparagraph (1) will apply; and

- (iii) in making the relevant decision(s) to downgrade or withdraw a credit rating pursuant to paragraphs (1) and (2) above or not to award a credit rating of at least an investment grade rating as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the fact of the potential Change of Control as described in the Relevant Potential Change of Control Announcement.
- (B) If a Change of Control Put Event occurs, the holder of each Note will have the option (unless prior to the giving of the relevant Put Event Notice (as defined in paragraph (C) below) the Issuer has given notice of redemption under Condition 7(b), 7(c), 7(d) or 7(j)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the date which is seven days after the expiry of the Put Period (as defined below) (the Put Date) at the Change of Control Redemption Amount specified in the applicable Final Terms, together with, if appropriate, interest to (but excluding) the Put Date. Such option (the **Put Option**) shall operate as set out below.
 - (C) Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and at any time following the occurrence of a Change of Control Put Event the Trustee shall, if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 15 specifying the nature of the Change of Control Put Event and the procedure for exercising the option contained in this Condition 7(e)(ii).
 - (D) To exercise the Put Option, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **Put Period**) of 30 days after a Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Change of Control Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the Put Option, the holder of this Note must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream,

Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Change of Control Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the Put Date an Event of Default shall have occurred and the Trustee shall have declared the Notes due and repayable, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Notice and instead treat its Notes as being forthwith due and repayable pursuant to Condition 10. The Issuer shall redeem or, as the case may be, purchase or procure the purchase of this Note on the Put Date unless previously redeemed or purchased and cancelled.

- (E) If the rating designations employed by any of S&P, Moody's or Fitch are changed from those which are described in Condition 7(e)(ii)(A) above, or if a rating is procured from any other rating agency selected by the Issuer from time to time with the prior written approval of the Trustee to assign a credit rating to the Notes (a **Substitute Rating Agency**), the Issuer shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of S&P or Moody's or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of S&P or Moody's or Fitch and Condition 7(e)(ii)(A) shall be read accordingly.
- (F) The Trustee is under no obligation to ascertain whether a Change of Control Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control Put Event or Change of Control or other such event has occurred.
- (G) In this Condition:

a **Change of Control** shall be deemed to occur if any of the following events occur:

- (I) any person or persons acting in concert (as defined in the City Code on Takeovers and Mergers in force on the Issue Date), or any persons acting on behalf of such persons (each a **Relevant Person**), is/are or becomes/become interested (within the meaning of Part 22 of the Companies Act 2006) in more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or such number of shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; or
- (II) the Issuer enters into a transaction pursuant to which the Issuer issues shares in the Issuer to the shareholders (or equivalent) of another entity in circumstances such that those persons who immediately prior to completion of such transaction held the entire issued or allotted ordinary share capital of the Issuer or such number of shares in the capital of the Issuer carrying all of the voting rights normally exercisable at a general meeting of the Issuer, immediately following completion of such transaction, hold less than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or such number of shares in the capital of the Issuer carrying less than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; or
- (III) London Stock Exchange plc or any successor thereto ceases to be a direct or indirect Subsidiary (as defined in Condition 10) of the Issuer;

provided that a Change of Control shall be deemed not to have occurred if (i) all or substantially all of the shareholders of the Relevant Person immediately after the

event which would otherwise have constituted a Change of Control were the shareholders of the Issuer with the same (or substantially the same) pro rata economic interests in the share capital of the Relevant Person as such shareholders had in the share capital of the Issuer immediately prior to such event provided that such event is not part of a pre-determined series of events which, taken together, will constitute a Change of Control or (ii) the event which would otherwise have constituted a Change of Control occurs or is carried out for the purposes of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders;

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 120 days after the Change of Control (or such longer period for which the Notes are under consideration for rating review or, as the case may be, rating by a Rating Agency (such consideration having been announced publicly within the period ending 120 days after the Change of Control and such period not to exceed 60 days after the public announcement of such consideration));

Fitch means Fitch Ratings Ltd., or its successor;

Moody's means Moody's Investors Service Limited, or its successor;

a **Negative Rating Event** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least an investment grade rating by the end of the Change of Control Period;

Rating Agency means any one of Moody's, Fitch, S&P or any Substitute Rating Agency;

Relevant Potential Change of Control Announcement means any public announcement or statement by or on behalf of the Issuer, relating to any potential Change of Control where within 120 days following the date of such announcement or statement, a Change of Control as described in such public announcement or statement occurs;

S&P means Standard and Poor's Rating Services, a division of McGraw-Hill International (UK) Limited, or its successor; and

Substitute Rating Agency means any other rating agency selected by the Issuer from time to time with the prior written approval of the Trustee to assign a credit rating to the Notes.

(f) *Early Redemption Amounts:*

For the purpose of paragraphs (b) and (c) above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Notes (other than Zero Coupon Notes or RPI-Linked Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at their nominal amount;

- (iii) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will either be (i) 30/360 (in which case) the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365); or

- (iv) in the case of RPI-Linked Notes, at the outstanding nominal amount thereof, subject to adjustment in accordance with Condition 5(b).

(g) *Purchases:*

The Issuer or any of its Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(h) *Cancellation:*

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

(i) *Late payment on Zero Coupon Notes:*

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

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15.

(j) *Redemption at the option of the Issuer (Issuer Maturity Par Call):*

If Issuer Maturity Par Call is specified as being applicable in the applicable Final Terms, the Issuer shall, having given not less than the minimum period nor more than the maximum period of notice

specified in the applicable Final Terms to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all the Notes, but not some of them, at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the date fixed for redemption.

8. Taxation

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

- (a) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6 - Payments); or
- (c) where such withholding or deduction would have been avoided by the Noteholder or Couponholder (or a person on behalf of the Noteholder or Couponholder) complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any relevant taxing authority of or in the United Kingdom.

All payments will be subject in all cases to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein, the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

9. Prescription

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal or premium) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

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

10. Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but, in the case of the happening of the events described in sub-paragraphs (b) to (h) below (other than paragraph (f) as it relates to the Issuer), only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion,

materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount (as defined in Condition 7(f)), together with accrued but unpaid interest as provided in the Trust Deed, in any of the following events (**Events of Default**):

- (a) default is made in the payment of (i) any principal or premium due in respect of the Notes or any of them; or (ii) interest due in respect of the Notes or any of them and the default continues for a period of 7 days; or
- (b) the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Trustee may permit); or
- (c)
 - (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any Material Subsidiary is accelerated by reason of an event of default (however described) and such acceleration has not been rescinded or annulled, except where the Issuer is contesting such default in good faith;
 - (ii) the Issuer or any Material Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or within any originally applicable grace period;
 - (iii) any security given by the Issuer or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable and the holder thereof shall have appointed a receiver, manager or similar officer to take steps to enforce the same; or
 - (iv) default is made by the Issuer or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, except where the Issuer is contesting its liability under such guarantee and/or indemnity in good faith;

provided that no Event of Default shall occur pursuant to this subparagraph 10(c) unless the aggregate amount of Indebtedness for Borrowed Money or other relative liability due and unpaid to which any of Sub-paragraphs (i) to (iv) above apply is at least £50,000,000 (or its equivalent in any other currency); or

- (d) any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any Material Subsidiary, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or in the case of a Material Subsidiary, a solvent winding up of such Material Subsidiary; or
- (e) the Issuer or any Material Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent, save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (f)
 - (i) proceedings are initiated against the Issuer or any Material Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any Material Subsidiary or, as the case may be, in relation to the whole or any substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of any of them; and

- (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 30 days; or
- (g) the Issuer or any Material Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of its creditors generally (or any class of its creditors) save for the purposes of reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (h) any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in sub-paragraphs (d) to (g) (inclusive) above.

For the purposes of this Condition 10:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of borrowed money or any liability under or in respect of any acceptance or acceptance credit.

Material Subsidiary means any Subsidiary of the Issuer:

- (a) whose profits before interest, taxation and exceptional or extraordinary items (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 10 per cent. of the consolidated profits before interest, taxation and exceptional or extraordinary items, or, as the case may be, the consolidated total net assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer and its Subsidiaries relate, the reference to the latest audited financial statements for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first mentioned financial statements as if such Subsidiary had been shown in such financial statements by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer after consultation with the Issuer; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (a) above.

A report by two of the directors of the Issuer that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders.

Subsidiary means a subsidiary within the meaning of section 1159 of the Companies Act 2006.

11. Enforcement

Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a)

it has been directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

Enforcement by the Noteholders

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

12. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent, or any other place approved by the Trustee of which notice shall have been published in accordance with Condition 15, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. Agent and Paying Agents

The names of the initial Agent in respect of the Notes and the other initial Paying Agents in respect of the Notes and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is, with the prior written approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or any other relevant authority; and
- (ii) there will at all times be an Agent and, in the case of RPI-Linked Notes, a Calculation Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(d). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 15.

14. Exchange of Talons

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

15. Notices

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

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on a stock exchange or admitted to trading by any other relevant authority, such stock exchange or other relevant authority permits), so long as the global Note(s) is or are held in its/their entirety on behalf of Clearstream,

Luxembourg and Euroclear, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Clearstream, Luxembourg and Euroclear for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on such day on which the said notice was given to Clearstream, Luxembourg and Euroclear.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Clearstream, Luxembourg and/or Euroclear, as the case may be, in such manner as the Agent and Clearstream, Luxembourg and/or Euroclear, as the case may be, may approve for this purpose.

16. Meetings of Noteholders, Modification and Waiver

- (a) The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be two or more persons (or one person if all Notes are held by one person) present holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons (or one person if all the Notes are held by one person) present whatever the nominal amount of the Notes held or represented by him or them. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

All references to “Extraordinary Resolution” also include **Written Resolutions**, being a resolution in writing signed by or on behalf of not less than 75 per cent. of the holders of Notes who, in accordance with the provisions for Meetings of Noteholders, would be entitled to attend and vote at a Meeting of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of them.

- (b) The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.
- (c) In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.
- (d) Any modification, waiver, authorisation, determination or substitution in accordance with these Conditions shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15.

17. Further Issues

The Issuer shall be at liberty from time to time (but subject always to the terms of the Trust Deed) without the consent of the Noteholders or Couponholders to create and issue further notes either (i) having the same terms and conditions in all respects save for the date from which interest thereon accrues and date and amount of the first payment of interest on such further notes, and so that the same shall be consolidated and form a single Series with the outstanding Notes or (ii) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may at the time of the issue thereof determine.

18. Substitution

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of any other company being a subsidiary (within the meaning of section 1159 of the Companies Act 2006), holding company or subsidiary of such holding company, of the Issuer, subject to: (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; (b) certain other conditions set out in the Trust Deed being complied with; and (c) such substitution being permitted by the rules of any stock exchange on which the Notes are listed and each such stock exchange confirming that, following the proposed substitution of the substitute, the Notes will continue to be listed on such stock exchange; alternatively the Issuer (or any previous substitute under this Condition) shall unconditionally and irrevocably guarantee the Notes.

19. Indemnification

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

20. Governing Law

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

21. Contracts (Rights of Third Parties) Act 1999

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

USE OF PROCEEDS

The net proceeds from each issue of Notes may be applied by the Issuer for refinancing of indebtedness and for its general corporate purposes or may be applied for particular uses, as determined by the Issuer. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

SELECTED FINANCIAL INFORMATION

The selected financial information summaries set out below have been extracted without material adjustment from the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2017 and the unaudited interim condensed consolidated financial statements of the Issuer as at and for the six months ended 30 June 2018, respectively. The summary financial information should be read together with the audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2017 and the unaudited interim condensed financial statements of the Issuer as at and for the six months ended 30 June 2018, respectively, each of which are incorporated by reference into this document.

| | Consolidated Income Statement Financial year ended 31 December 2017 | Underlying | Non- underlying | Total |
|--|---|-------------------|----------------------------|--------------|
| | | £m | £m | £m |
| | Continuing operations | | | |
| | Revenue | 1,768 | – | 1,768 |
| | Net treasury income through CCP business | 162 | – | 162 |
| | Other income | 25 | – | 25 |
| | Total income | 1,955 | – | 1,955 |
| | Cost of sales | (215) | – | (215) |
| | Gross profit | 1,740 | – | 1,740 |
| | Expenses | | | |
| | Operating expenses before depreciation, amortisation and impairment | (816) | (40) | (856) |
| | Profit on disposal of businesses | – | 7 | 7 |
| | Share of loss after tax of associates | (9) | – | (9) |
| | Earnings before interest, tax, depreciation, amortisation and impairment | 915 | (33) | 882 |
| | Depreciation, amortisation and impairment | (103) | (153) | (256) |
| | Operating profit/(loss) | 812 | (186) | 626 |
| | Finance income | 8 | – | 8 |
| | Finance expense | (70) | – | (70) |
| | Net finance expense | (62) | – | (62) |
| | Profit/(loss) before tax from continuing operations | 750 | (186) | 564 |
| | Taxation | (168) | 190 | 22 |
| | Profit/(loss) for the year from continuing operations .. | 582 | 4 | 586 |
| | Discontinued operations | | | |
| | Loss after tax for the year from discontinued operations .. | – | (25) | (25) |
| | Profit for the year | 582 | (21) | 561 |
| | Equity holders | | | |
| | Profit for the year from continuing operations | 513 | 17 | 530 |
| | Loss for the year from discontinued operations | – | (25) | (25) |
| | Profit/(loss) for the year attributable to equity holders | 513 | (8) | 505 |
| | Non-controlling interests | | | |
| | Profit/(loss) for the year attributable to non-controlling interests from continuing operations | 69 | (13) | 56 |
| | Profit for the year attributable to non-controlling interests from discontinued operations | – | – | – |
| | Profit/(loss) for the year attributable to non-controlling interests | 69 | (13) | 56 |
| | | 582 | (21) | 561 |
| | Earnings per share attributable to equity holders | | | |
| | Basic earnings per share | | | 146.4p |
| | Diluted earnings per share | | | 143.0p |
| | Adjusted basic earnings per share | | | 148.7p |
| | Adjusted diluted earnings per share | | | 145.3p |
| | | | | |
| | Earnings per share for continuing operations attributable to equity holders | | | |
| | Basic earnings per share | | | 153.6p |

| | | | | |
|--|---|-------------------|-----------------------|--------------|
| | Diluted earnings per share | | | 150.1p |
| | Adjusted basic earnings per share | | | 148.7p |
| | Adjusted diluted earnings per share | | | 145.3p |
| | | | | |
| | Dividend per share in respect of the financial year: | | | |
| | Dividend per share paid during the year..... | | | 14.4p |
| | Dividend per share declared for the year..... | | | 37.2p |
| | | | | |
| | | | | |
| | Consolidated Income Statement Financial year ended 31 December 2016 | Underlying | Non-underlying | Total |
| | | £m | £m | £m |
| | Continuing operations | | | |
| | Revenue | 1,515 | – | 1,515 |
| | Net treasury income through CCP business | 125 | – | 125 |
| | Other income | 17 | – | 17 |
| | Total income | 1,657 | – | 1,657 |
| | Cost of sales | (175) | – | (175) |
| | Gross profit | 1,482 | – | 1,482 |
| | Expenses | | | |
| | Operating expenses before depreciation, amortisation and impairment | (706) | (102) | (808) |
| | Share of loss after tax of associates..... | (5) | – | (5) |
| | Earnings before interest, tax, depreciation, amortisation and impairment | 771 | (102) | 669 |
| | Depreciation, amortisation and impairment | (85) | (157) | (242) |
| | Operating profit/(loss) | 686 | (259) | 427 |
| | Finance income | 7 | – | 7 |
| | Finance expense | (70) | – | (70) |
| | Net finance expense | (63) | – | (63) |
| | Profit/(loss) before tax from continuing operations | 623 | (259) | 364 |
| | Taxation | (140) | 39 | (101) |
| | | | | |
| | Profit/(loss) for the year from continuing operations.. | 483 | (220) | 263 |
| | Discontinued operations | | | |
| | Profit/(loss) after tax for the year from discontinued operations | 18 | (88) | (70) |
| | Profit/(loss) for the year | 501 | (308) | 193 |
| | Equity holders | | | |
| | Profit/(loss) for the year from continuing operations | 436 | (213) | 223 |
| | Profit/(loss) for the year from discontinued operations | 17 | (88) | (71) |
| | Profit/(loss) for the year attributable to equity holders..... | 453 | (301) | 152 |
| | Non-controlling interests | | | |
| | Profit/(loss) for the year attributable to non-controlling interests from continuing operations | 47 | (7) | 40 |
| | Profit for the year attributable to non-controlling interests from discontinued operations..... | 1 | – | 1 |
| | Profit/(loss) for the year attributable to non-controlling interests | 48 | (7) | 41 |
| | | 501 | (308) | 193 |
| | Earnings per share attributable to equity holders | | | |
| | Basic earnings per share | | | 43.5p |
| | Diluted earnings per share..... | | | 42.6p |
| | Adjusted basic earnings per share | | | 129.7p |
| | Adjusted diluted earnings per share | | | 127.2p |

| | | | | |
|--|--|------------------|-----------------|-----------------|
| | Earnings per share for continuing operations attributable to equity holders | | | |
| | Basic earnings per share | | | 63.8p |
| | Diluted earnings per share | | | 62.5p |
| | Adjusted basic earnings per share | | | 124.7p |
| | Adjusted diluted earnings per share | | | 122.3p |
| | | | | |
| | Dividend per share in respect of the financial year: | | | |
| | Dividend per share paid during the year | | | 12.0p |
| | Dividend per share declared for the year | | | 31.2p |
| | | | | |
| | | | | |
| | Consolidated Balance Sheet | | | |
| | | As at | As at | As at |
| | | 30 June | 31 | 31 |
| | | 2018 | December | December |
| | | | 2017 | 2016 |
| | | £m | £m | £m |
| | | Unaudited | | |
| | Assets | | | |
| | | | | |
| | Non-current assets | | | |
| | Property, plant and equipment | 127 | 129 | 108 |
| | Intangible assets | 4,604 | 4,590 | 4,124 |
| | Investment in associates | 27 | 5 | 3 |
| | Deferred tax assets | 41 | 38 | 68 |
| | Derivative financial instruments | 8 | 4 | – |
| | Investments in financial assets | 30 | 86 | 28 |
| | Retirement benefit asset | 72 | 56 | 2 |
| | Other non-current assets | 60 | 55 | 88 |
| | | 4,969 | 4,963 | 4,421 |
| | Current assets | | | |
| | Inventories | – | – | 3 |
| | Trade and other receivables | 792 | 688 | 637 |
| | Derivative financial instruments | 1 | – | – |
| | CCP financial assets | 741,803 | 673,354 | 504,833 |
| | CCP cash and cash equivalents (restricted) | 73,340 | 61,443 | 53,553 |
| | CCP clearing business assets | 815,143 | 734,797 | 558,386 |
| | Current tax | 129 | 126 | 124 |
| | Investments in financial assets | 62 | 19 | 74 |
| | Cash and cash equivalents | 1,299 | 1,381 | 1,151 |
| | | 817,426 | 737,011 | 560,375 |
| | Assets held for sale | – | 6 | – |
| | Total assets | 822,395 | 741,980 | 564,796 |
| | Liabilities | | | |
| | Current liabilities | | | |
| | Trade and other payables | 785 | 598 | 601 |
| | CCP clearing business liabilities | 815,125 | 734,981 | 558,478 |
| | Current tax | 108 | 70 | 61 |
| | Borrowings | 475 | 522 | 619 |
| | Provisions | 1 | 1 | 1 |
| | | 816,494 | 736,172 | 559,760 |
| | Non-current liabilities | | | |
| | Borrowings | 1,428 | 1,431 | 547 |
| | Derivative financial instruments | 27 | 29 | 19 |
| | Deferred tax liabilities | 490 | 502 | 705 |
| | Retirement benefit obligations | 16 | 36 | 75 |

| | | | | |
|--|--|----------------|--|--|
| | Other non-current payables | 23 | 49 | 66 |
| | Provisions | 9 | 9 | 10 |
| | | 1,993 | 2,056 | 1,422 |
| | Total liabilities | 818,487 | 738,228 | 561,182 |
| | Net assets | 3,908 | 3,752 | 3,614 |
| | Equity | | | |
| | Capital and reserves attributable to the Company's equity holders | | | |
| | Ordinary share capital | 24 | 24 | 24 |
| | Share premium | 964 | 964 | 961 |
| | Retained earnings | 570 | 419 | 259 |
| | Other reserves | 1,864 | 1,820 | 1,862 |
| | Total shareholders' funds | 3,422 | 3,227 | 3,106 |
| | Non-controlling interests | 486 | 525 | 508 |
| | Total equity | 3,908 | 3,752 | 3,614 |
| | | | | |
| | Consolidated Cash Flow Statement | | Financial year ended 31 December 2017 | Financial year ended 31 December 2016 |
| | | | £m | £m |
| | Cash flow from operating activities | | | |
| | Cash generated from operations | | 852 | 618 |
| | Interest received | | 6 | 6 |
| | Interest paid | | (66) | (67) |
| | Corporation tax paid | | (130) | (315) |
| | Withholding tax paid | | (3) | (1) |
| | Net cash inflow from operating activities | | 659 | 241 |
| | | | | |
| | Cash flow from investing activities | | | |
| | Purchase of property, plant and equipment | | (47) | (34) |
| | Purchase of intangible assets | | (143) | (112) |
| | Proceeds from sale of business | | 14 | 594 |
| | Cash disposed as part of the sale of business | | (5) | (185) |
| | Costs in relation to sale of a disposal group | | - | (12) |
| | Acquisition of businesses | | (644) | (1) |
| | Cash inflow from acquisition of businesses | | 4 | - |
| | Investment in associates | | (2) | (8) |
| | Proceeds from disposal of available for sale financial assets | | 7 | - |
| | Investment in government bonds | | (5) | (10) |
| | Dividends received | | - | 1 |
| | Net cash inflow/(outflow) from investing activities | | (821) | 233 |
| | | | | |
| | Cash flow from financing activities | | | |
| | Dividends paid to shareholders | | (159) | (130) |
| | Dividends paid to non-controlling interests | | (19) | (15) |
| | Purchase of treasury shares relating to share buyback | | (201) | - |
| | Redemption of preferred securities | | (157) | - |
| | Acquisition of non-controlling interests | | (111) | - |
| | Proceeds from investment by non-controlling interests | | 12 | 20 |
| | Arrangement fee paid | | (3) | (1) |
| | Purchase of own shares by employee benefit trust | | (26) | (9) |
| | Proceeds from exercise of employee share options | | 2 | - |
| | Proceeds from issue of shares | | - | 1 |

| | | | |
|--|--|--------------------------------------|--------------------------------------|
| | Proceeds from issue of bonds | 885 | - |
| | Bond repayment | - | (250) |
| | Additional drawdowns from bank credit facilities | 242 | 317 |
| | Repayments made towards bank credit facilities | (87) | (614) |
| | Payments to shareholders on exercise of options | - | (3) |
| | Repayments of finance lease | - | (3) |
| | Net cash inflow/(outflow) from financing activities | 378 | (687) |
| | | | |
| | Increase/(decrease) in cash and cash equivalents | 216 | (213) |
| | Cash and cash equivalents at beginning of year | 1,151 | 1,176 |
| | Exchange gain on cash and cash equivalents | 15 | 188 |
| | Cash and cash equivalents at end of year | 1,382 | 1,151 |
| | | | |
| | Cash and cash equivalents at end of year from continuing operations | 1,381 | 1,151 |
| | Cash and cash equivalents classified as held for sale | 1 | - |
| | Cash and cash equivalents at end of year | 1,382 | 1,151 |
| | | | |
| | | Six months ended 30 June 2018 | Six months ended 30 June 2017 |
| | | £m | £m |
| | | Unaudited | Unaudited |
| | Continuing operations | | |
| | Revenue | 953 | 853 |
| | Net treasury income through CCP business | 104 | 75 |
| | Other income | 3 | 18 |
| | Total income | 1,060 | 946 |
| | Cost of sales | (106) | (102) |
| | Gross profit | 954 | 844 |
| | | | |
| | Expenses | | |
| | Operating expenses before depreciation and amortisation | (417) | (423) |
| | Profit on disposal of business | - | 5 |
| | Share of loss after tax of associates | (3) | (1) |
| | Earnings before interest, tax, depreciation and amortisation | 534 | 425 |
| | Depreciation and amortisation | (141) | (120) |
| | | | |
| | Operating profit | 393 | 305 |
| | Finance income | 6 | 4 |
| | Finance expense | (39) | (32) |
| | Net finance expense | (33) | (28) |
| | | | |
| | Profit before tax from continuing operations | 360 | 277 |
| | | | |
| | Taxation on profit before acquisition amortisation and non-recurring items | (101) | (88) |
| | Taxation on acquisition amortisation and non-recurring items | 24 | 19 |
| | Total taxation | (77) | (69) |
| | | | |
| | Profit for the financial period from continuing operations | 283 | 208 |
| | | | |
| | Discontinued operations | | |

| | | | |
|--|---|--------------|--------------|
| | | | |
| | Cash flow from financing activities | | |
| | Dividends paid to shareholders | (129) | (109) |
| | Dividends paid to non-controlling interests | (39) | (18) |
| | Purchase of treasury shares relating to share buyback | - | (98) |
| | Acquisition of non-controlling interests | (70) | - |
| | Redemption of preferred securities | - | (155) |
| | Proceeds from own shares on exercise of employee share options | 3 | 1 |
| | Purchase of own shares by employee benefit trust | (4) | (5) |
| | Repayments of finance lease | (2) | - |
| | Proceeds from issue of commercial paper | 176 | - |
| | Additional drawdowns from bank facilities | - | 296 |
| | Repayments made on bank facilities | (227) | - |
| | Net cash outflow from financing activities | (292) | (88) |
| | | | |
| | Decrease in cash and cash equivalents | (96) | - |
| | Cash and cash equivalents at beginning of period from continuing operations | 1,381 | 1,151 |
| | Cash and cash equivalents at beginning of period classified as held for sale | 1 | - |
| | Exchange gain on cash and cash equivalents | 13 | 19 |
| | Cash and cash equivalents at end of period | 1,299 | 1,170 |
| | | | |
| | <i>Statements of no significant or material adverse change</i> | | |
| | There has been no significant change in the financial or trading position of the Issuer or the Issuer and its subsidiaries (as defined under section 1159 of the Companies Act 2006 (Subsidiaries)) since 30 June 2018 and there has been no material adverse change in the financial position or prospects of the Issuer or the Issuer and its Subsidiaries since 31 December 2017. | | |

DESCRIPTION OF THE ISSUER

Certain capitalised terms used but not defined in this section shall have the meaning given to them in the “Definitions” section.

Overview

London Stock Exchange Group plc (**LSEG**) is a global diversified markets infrastructure business. LSEG operates four main business divisions: Capital Markets, Post Trade Services, Information Services and Technology Services.

LSEG’s Capital Markets division comprises a broad range of international equity, fixed income and derivatives markets, including: London Stock Exchange plc (**London Stock Exchange**); Borsa Italiana SpA (**Borsa Italiana**); MTS S.p.A. (**MTS**), one of Europe’s leading fixed-income markets; Turquoise Global Holdings Limited (**Turquoise**), a pan-European multilateral trading facility (**MTF**) and AIM, one of the world’s leading growth markets for small and medium enterprises (**SME**). In 2015, LSEG announced the launch of CurveGlobal, a new interest rate derivatives joint venture with a number of major dealer banks and the Chicago Board Options Exchange. Through its various platforms, LSEG offers international businesses and investors unrivalled access to Europe’s capital markets.

Post trade and risk management services are a significant part of LSEG’s business operations. In addition to LSEG’s majority ownership of multi-asset global central counterparty (**CCP**) operator, LCH Group Holdings Limited (**LCH**), LSEG operates CC&G, the Italian clearing house; and Monte Titoli S.p.A. (**Monte Titoli**), a European settlement business, selected as a first wave participant in TARGET2-Securities.

LSEG is a global leader in indexing and analytic solutions. FTSE Russell offers thousands of indexes that measure and benchmark markets around the world. In January 2017, LSEG completed the acquisition of Mergent, a leading provider of business and financial information on public and private companies. In August 2017, LSEG completed the acquisition of The Yield Book, a fixed income analytics platform, and Citi Fixed Income Indices, an index business comprising a family of fixed income indexes which includes the World Government Bond Index (WGBI). LSEG also provides customers with an extensive range of real-time, reference data, news, software and regulatory reporting products, including SEDOL, UnaVista and RNS.

LSEG is also a leading developer and operator of high performance trading platforms, including trading, market surveillance and post trade systems for over 40 organisations and exchanges, including LSEG’s own markets. Additional services include network connectivity, hosting and quality assurance testing. MillenniumIT Software Limited (**MillenniumIT**) and GATElab are among LSEG’s technology companies.

Headquartered in London, with significant operations in North America, Italy, France and Sri Lanka, LSEG employs approximately 4,500 people. LSEG shares are admitted to the premium segment of the Official List and to trading on London Stock Exchange’s regulated market. LSEG is a member of the FTSE 100 index.

For the half-year period ended 30 June 2018, income from LSEG’s continuing operations was £1,060 million and revenue was £953 million (compared to £1,955 million and £1,768 million respectively for the year ended 31 December 2017). For the half-year period ended 30 June 2018, LSEG’s operating profit from continuing operations was £393 million and its adjusted operating profit (before acquisition amortisation and non-recurring items) from continuing operations was £480 million (compared to £626 million and £812 million respectively for the year ended 31 December 2017). Discontinued operations, contributed no additional income, revenue or operating loss for the half-year period ended 30 June 2018 (compared to an operating loss of £25 million for the year ended 31 December 2017).

For the year ended 31 December 2017, the Group’s EBITDA Margin was 46.8 per cent. (compared to 46.5 per cent. for the financial year ended 31 December 2016). The Group’s Expenses for the half-year period ended 30 June 2018 were £577 million (compared to £547 million for the equivalent period up to 30 June 2017). In the half-year period up to 30 June 2018, the Group generated £196 million of discretionary free cashflow.

As at 31 December 2017, the Group was within its target Dividend Cover range of 2.5-3.0x.

The Group is restricted by certain covenants in its financing facilities, being a leverage ratio that it must maintain at no more than 4x and an interest cover ratio that must be at least 3x. As at 31 December 2017, the Group's leverage ratio is at 1.7x and its interest cover is at 15.5x, in each case as defined in the relevant financing facilities.

History and Development

The London Stock Exchange was originally constituted by deed of settlement in 1802 and 1875, as amended from time to time, prior to the adoption of modern memorandum and articles of association in 1991. The London Stock Exchange's recent corporate history commenced on 19 November 1986 when it was incorporated and registered in England and Wales, with registered number 2075721, as a private limited company under the Companies Act 1985 with the name The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited. On 9 December 1995, The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited changed its name to The London Stock Exchange Limited. On 8 June 2000, The London Stock Exchange Limited was re-registered as a public limited company pursuant to section 43 of the Companies Act 1985 and changed its name to The London Stock Exchange plc. The London Stock Exchange plc became a listed company in July 2001.

The Issuer was incorporated and registered in England and Wales on 18 February 2005 under the Companies Act 1985 as a private company limited by shares with registered number 5369106 and with the name Milescreen Limited. On 16 November 2005, it changed its name to London Stock Exchange Group Limited. On 7 December 2005, it was re-registered as a public limited company pursuant to section 43 of the Companies Act 1985 and changed its name to London Stock Exchange Group plc. On 15 May 2006, LSEG became the holding company of London Stock Exchange plc pursuant to a scheme of arrangement made under section 425 of the Companies Act 1985 and replaced The London Stock Exchange as the listed entity. In 2007, LSEG became the holding company of Borsa Italiana. In 2011, LSEG completed the acquisition of the outstanding 50 per cent. of FTSE International Limited. In 2013, LSEG completed the acquisition of a majority stake in the global clearing house, LCH. In 2014, LSEG completed the acquisition of Frank Russell Company (**Russell**) and completed the sale of Russell Investments in June 2016. In January 2017, LSEG completed the acquisition of Mergent, a leading provider of business and financial information on public and private companies. In August 2017, LSEG completed the acquisition of The Yield Book and Citi Fixed Income Indices.

The registered and head office of LSEG is 10 Paternoster Square, London EC4M 7LS, United Kingdom. Its telephone number is +44 (0) 20 7797 1000. The principal legislation under which LSEG operates is the Companies Act 2006. LSEG has unlimited objects.

LSEG Business Divisions

Headquartered in London, with significant operations in North America, Italy, France and Sri Lanka, LSEG operates four main business divisions: Capital Markets, Post Trade Services, Information Services and Technology Services.

Capital Markets

LSEG's capital markets division provides access to capital for a wide range of domestic and international companies and market participants across both primary and secondary markets.

LSEG's capital markets division accounted for, on a continuing operations basis, 20 per cent. of LSEG's total income in the financial year ended 31 December 2017 (compared to 22 per cent. in the financial year ended 31 December 2016).

As at 31 December 2017, the capital markets division had an EBITDA Margin of 50 per cent. (compared to 51 per cent. in the financial year ended 31 December 2016).

Primary Markets

LSEG's Primary Markets provide a choice of listed and quoted segments for issuers to raise capital in the manner most suitable to their individual financing needs and increase their ability to connect with a wide group

of customers and investors. Issuers can list their securities for trading on LSEG's markets making them freely tradeable among the large pool of investors who connect directly and indirectly to LSEG's markets.

Recent years have seen:

- 194 new companies having securities admitted to trading on LSEG's markets in 2017 (compared to 134 in 2016).
- the amount of capital raised on LSEG's equity markets was £44.2 billion in 2017, £25.6 billion in 2016 and £41.7 billion in 2015.

As at 31 December 2017, there were 2,588 companies listed on LSEG's Primary Markets.

Revenues from the Primary Markets are derived from a fee for issuers seeking admission to the Primary Markets of the London Stock Exchange and Borsa Italiana. The fees are charged based on the issuer's market capitalisation at admission. Issuers of equity securities are subsequently subject to annual fees. On the London Stock Exchange, fees are also charged for companies carrying out further fundraisings once they are listed.

United Kingdom

In the UK, London Stock Exchange operates the following Primary Markets:

- *Main Market*: London Stock Exchange's market for international and domestic businesses looking to access Europe's most liquid pool of capital. It is one of the world's most international markets for the listing and trading of public equity and debt. Main Market companies come from a broad range of sectors and vary widely in size, covering a spectrum from fledgling growth companies to global multinationals.
- *AIM*: a market for smaller, growing companies launched in 1995. AIM's regulatory structure, tailored to the needs of SMEs, allows companies to quickly and cost-effectively raise capital at admission and through further fundraisings.
- *Professional Securities Market*: offers issuers the opportunity to list debt securities or depository receipts restricted to professional investors.
- *International Securities Market*: an exchange-regulated MTF market for primary debt issuance, targeted at institutional and professional investors from around the world.

In addition to the Primary Markets described above, London Stock Exchange operates a route to market known as admission to trading only (**ATT Only**), which is selectively promoted to international issuers. This route is utilised by a company when, for regulatory or commercial reasons, it cannot or does not want to pursue a full listing in London.

London Stock Exchange also admits debt securities onto its UK primary markets. Issuers of Sukuk Instruments are able to list Islamic bonds and admit them to either the Main Market or the Professional Securities Market.

In the UK, London Stock Exchange also operates ORB, an electronic bond market for private investors, assisting issuers in raising debt capital from a range of investors, including retail investors.

Italy

In Italy, Borsa Italiana operates three Primary Markets:

- *MTA*: the Italian main market for domestic and international equity issued by companies that meet the best international standards.
- *AIM Italia*: a market for SMEs with high growth potential. AIM Italia's regulatory structure is tailored to meet the needs of SMEs and allows these companies to efficiently raise capital at admission and through further fundraisings. *MIV*: an electronic market providing capital, liquidity and visibility for retail and professional investors on a range of investment vehicles.

In addition to its equity Primary Markets, Borsa Italiana also operates:

- *ETFplus*—for exchange traded funds (**ETFs**), exchange traded commodities (**ETCs**)/exchange traded notes (**ETNs**) and open end funds;
- *SeDeX*—an electronic securitised derivatives market for covered warrants and certificates;
- *MOT*—an electronic bond market for government securities, domestic and international bank and corporate bonds, supranational securities and asset backed securities (**ABSs**); and
- *ExtraMOT*—a MTF for the trading of Eurobonds already listed on other EU regulated markets as well as branded bank bonds and debt securities mainly issued by Italian SMEs.

Additional information on trading activity on London Stock Exchange and Borsa Italiana on equity and fixed-income markets is provided below.

ELITE

LSEG's ELITE programme, initially launched by Borsa Italiana in Italy and subsequently in the UK in 2014, aims to facilitate access to capital markets and investors for SMEs and other companies and enhance their growth prospects. ELITE provides access to education, business support and supportive investors for its members who are drawn from a wide variety of sectors.

Secondary Markets

LSEG's Secondary Markets provide fast and efficient trading for:

- equities, via a range of reliable electronic trading systems, in an effective regulatory environment and with a high level of price and trade transparency;
- derivatives, offering trading of equity derivatives through the Italian Derivatives Market (**IDEM**) in Italy and through London Stock Exchange Derivatives Market (**LSEDM**) in the UK; trading of CurveGlobal interest rate derivatives products on LSEDM; and trading of commodities, power and specialist products, through IDEM, the Italian Derivatives Energy Exchange (**IDEX**) and the Agricultural Derivatives Exchange (**AGREX**); and
- fixed-income, through a range of electronic trading venues, including LSEG's majority owned subsidiaries, MTS and EuroTLX, and the Italian MOT business.

Revenue in the cash equities segment is principally derived from fees for execution on the electronic order books. In the UK, fees are based on value-traded; whereas in Italy, fees are based on volume of contracts traded. Revenues are also generated from annual membership fees, reporting fees for trades carried out away from the order book and market maker security registration fees.

Equities trading

LSEG's equities trading business aims to provide the most suitable trading service according to the liquidity of an individual security and provides members with access to fast and efficient trade execution and reporting. LSEG's cash trading services are designed to deliver efficient trading price formation and execution services through reliable trading systems, effective regulation and a high level of price and trade transparency. Average daily value traded through LSEG's cash equities order-book was £5.3 billion in the year ended 31 December 2017.

Turquoise, LSEG's majority owned MTF, provides trading across a broad range of pan-European and US shares, IOB Depository Receipts, ETF's and European Rights issues. Turquoise operates discrete order books:

- *Turquoise Integrated Order book*: a "lit" secondary market with full pre and post trade transparency; and
- *Turquoise PlatoTM Order book*: a "dark" secondary market matching at mid-point with immediate post trade transparency.

In 2014, Turquoise Plato Block Discovery™ was launched to facilitate the trading of large block trades in a neutral passive environment. In addition, Turquoise SwapMatch™ was launched in 2016, offering a neutral arranging platform for participants to match block interests in OTC equity total return swaps.

In 2016, Turquoise entered into a cooperation agreement with Plato Partnership, a not-for-profit industry group of buy and sell-side firms collaborating to bring creative solutions and efficiencies to today's complex equity marketplace. Turquoise has subsequently rebranded its non-displayed services as Turquoise Plato, including the award winning Turquoise Block Discovery™ and Turquoise Uncross™ as Turquoise Plato Block Discovery™ and Turquoise Plato Uncross™.

Derivatives

LSEG's London Stock Exchange Derivatives Market platform (**LSEDM**) offers member firms a marketplace for options and futures. It includes derivatives for securities traded on the International Order Book managed by the London Stock Exchange, and related Index and Dividend derivatives. LSEDM also operates a linked order book model with Oslo Børs to trade Norwegian index and single name derivatives, and offers trading of futures and options on the BIST 30 Index (the main index for the Turkish equity market operated by Borsa İstanbul A.S.), on UK shares and the FTSE 100 and FTSE UK Large Cap Super Liquid indexes. These derivatives products are cleared by LCH Group.

Revenue in LSEG's derivatives trading markets is principally driven by fees based on volumes traded from electronic trade execution. Other charges are made for exercise and assignment fees on options contracts and expiration fees. Fees are also charged for membership.

In 2015, LSEG announced the launch of CurveGlobal, a new interest rate derivatives joint venture with a number of major dealer banks and Chicago Board Options Exchange. Trading of CurveGlobal products on the London Stock Exchange Derivatives Market went live in September 2016, initially in short term and long term interest rate futures. The clearing service is provided by LCH Group, which gives investors access to a single default fund across OTC and listed trades and the ability to use LCH Spider, a portfolio margining service for interest rate derivatives launched in May 2016, offering members and their clients opportunities to benefit from risk and collateral efficiencies on an open access basis. LSEG currently holds approximately 43.4 per cent. of CurveGlobal.

Fixed-income

MTS

MTS facilitates a number of regulated electronic fixed-income markets in both the dealer-to-dealer and dealer-to-client spaces across Europe and the U.S.

MTS offers several products in connection with fixed-income markets. Revenue from MTS is principally derived from fees for the execution of trades on MTS' markets. These fees are based on the volume traded. Revenue is also derived from membership fees and the sale of market data products.

MOT and ExtraMOT

MOT is the fixed-income, electronic order-driven regulated retail-sized market operated by Borsa Italiana. It has two different segments, defined according to the CSD, in which the trades are settled: DomesticMOT (settlement in Monte Titoli) and EuroMOT (settlement in Euroclear or Clearstream, Luxembourg).

Borsa Italiana also operates ExtraMOT, a MTF regulated by Borsa Italiana, for the trading of corporate Eurobonds. ExtraMOT also operates a professional segment. Both MOT and ExtraMOT markets are cleared through CC&G.

EuroTLX

In 2013, LSEG acquired a majority stake in EuroTLX, an Italian MTF operating in the European retail fixed-income market. EuroTLX migrated to MillenniumIT technology in 2014 and complements LSEG's other fixed-income venues. Clearing is provided by CC&G.

Order Book for Retail Bonds (ORB)

The ORB is London Stock Exchange's electronic order book for bonds launched in 2010 and aimed at private investors and retail brokers. The ORB offers a range of gilts, corporate and supranational bonds. It operates as an open electronic order-driven market with dedicated market makers committed to quoting two-way tradable prices on-screen throughout the trading day. The ORB market offers trading in smaller sizes by value to appeal to retail investors.

Post Trade Services

LSEG's post trade and risk management services are a significant and growing part of LSEG's business operations. Through its acquisition of a majority stake in LCH, LSEG offers clearing services in the UK, the U.S., the Eurozone and is expanding its presence in the Asia-Pacific region. LCH Group provides services across multiple asset classes for on-exchange and OTC traded products. LSEG wholly owns and operates CC&G, the Italian clearing house and Monte Titoli, the Italian settlement business. In June 2018, LSEG acquired a c.16 per cent. minority stake in Acadiasoft, Inc., an industry provider for margin automation, risk optimisation and standards for collateral counterparties.

The Post Trade Services division accounted for, on a continuing operations basis, 37 per cent. of LSEG's total income in the financial year ended 31 December 2017.

As at 31 December 2017, the Post Trade Services division had an EBITDA margin of 46 per cent. (compared to 39 per cent. in the financial year ended 31 December 2016).

LCH

In 2013, LSEG completed the acquisition of a majority stake in LCH. LCH Group is a leading multinational clearing provider, with three separate CCPs in the UK, the Eurozone, the U.S. and an expanding presence in the Asia-Pacific region. LCH Group provides services to mitigate counterparty risk across multiple asset classes for sell-side clearing members and buy-side clients operating on major exchanges and platforms as well as in a range of OTC markets. In 2017, LSEG increased its majority stake in LCH from 57.8 per cent. to 65.9 per cent. following sales by certain minority holders and as a result of Euronext swapping its holding from LCH to LCH SA. In 2018, LSEG further increased its stake in LCH to 68 per cent., following a sale by a minority shareholder. On 19 October 2018, LSEG announced that it had entered into agreements with certain minority shareholders of LCH to acquire up to a further 15.1 per cent. of LCH's share capital which is expected to take its majority ownership to over 80 per cent., subject to the pre-emption process contained within LCH's articles of association. Subject to regulatory non-objection, the acquisitions are expected to close before the end of 2018.

LCH Group operates across three entities which are regulated as follows:

- LCH Limited is a Recognised Clearing House by the Bank of England in the UK and is registered as a Derivatives Clearing Organisation by the CFTC in the U.S.
- LCH SA is regulated as a Credit Institution and Clearing House by a regulatory college of central banks and market regulators from France, the Netherlands, Belgium and Portugal and is registered as a Derivatives Clearing Organisation by the CFTC in the U.S.
- LCH Clearnet LLC is registered as a Derivatives Clearing Organisation by the CFTC in the U.S.

The relevant LCH Group CCP registers and processes trades and assumes the counterparty risk involved when two parties (or members) trade and clear the trade through that LCH Group CCP. When the trade is registered with the relevant LCH Group CCP, it (and in certain cases a third party CCP that is interoperable with the LCH Group CCP) becomes the legal counterparty to each side of the trade.

LCH Group operates the following services:

SwapClear: an interest rate derivatives clearing service, delivering high levels of efficiency and liquidity to global dealers and clients. SwapClear allows market participants to fully comply with mandated clearing requirements in multiple jurisdictions around the world. SwapClear is a leading global provider of swap clearing services and seeks to maintain this position through the provision of key services such as compression and the development of portfolio margining for the benefit of customers.

CDSClear: offers industry leading default management provisions and clears indexes of a broad set of European credits along with single name constituents of these indexes. CDSClear is now dual registered, meaning it can act for clients both in the U.S. and Europe, having received CFTC approval to launch as a Derivatives Clearing Organisation in December 2013.

ForexClear: offers clearing services for non-deliverable forwards in multiple currencies. ForexClear launched client clearing in the U.S. in 2013 and extended its client clearing offering to include European model account structures in 2015.

Fixed-income clearing: RepoClear is LCH Group's clearing service for cash bond and repo trades across a number of European markets. LCH SA also has an interoperability agreement with CC&G for Italian Government Bond and Repo markets. In 2014, LCH SA launched €GCPlus, a central clearing service for the tri-party repo market, in collaboration with Euroclear and Banque de France, which enables market participants to efficiently manage Eurosystem eligible collateral and to generate liquidity in a cleared environment.

Commodities and Listed Derivatives: LCH Group offers clearing of interest rate and equity derivatives as well as for a range of commodities markets, including power and associated energy markets, base and precious metals and agricultural products. It also provides clearing for freight derivatives and other commodities under its EnClear Service.

Cash Equities: offers equity clearing services for a number of European regulated exchanges and MTFs including London Stock Exchange, Turquoise, Euronext, SIX Swiss Exchange, Oslo Børs, BATS Chi-X Europe and other venues. Risk management and clearing services are also provided from European trading to the close of the U.S. markets. LCH Limited also provides interoperability with other CCPs.

LCH Spider: Launched in May 2016, LCH Spider is LCH Group's portfolio margining tool for interest rate derivatives. LCH Spider allows eligible members and clients using LCH Group's SwapClear and Listed Rates services to offset margin between OTC and listed interest rate derivatives, delivering risk and collateral efficiencies.

LCH SwapAgent: launched in May 2017, LCH SwapAgent provides a service designed to simplify the processing, margining and settlement of uncleared derivatives by extending the existing clearing infrastructure to the bilateral market without novation to a central counterparty and default fund contributions.

CCPs within LCH Group collect revenue primarily from either a subscription-based fee model (annual fee paid for a specified volume tier) or a transaction-based fee model (where a fee is charged according to notional outstanding, value traded or other metrics) for the provision of risk management services. CCPs within LCH Group also earn net treasury income, which is revenue on the holding and investment of assets posted to its clearing houses less the interest paid to the members on their initial margin and default fund contributions.

Cassa di Compensazione e Garanzia (CC&G)

Established in 1992, CC&G is an Italian-based clearing house providing risk management and CCP services. The main services offered include granting of anonymity, interposition (trade date novation), netting by novation, position-keeping, collateral management, reporting, delivery of settlement instructions to the securities settlement system, fails management and buy-in procedures for Italian and European securities.

CC&G, by serving as the guarantor of final settlement of contracts and as buyer towards each seller and seller towards each buyer, assumes counterparty risk. By assuming the counterparty risk, CC&G underpins many important financial markets, facilitating trading and increasing confidence within the Italian markets. CC&G's activities are performed under the supervision of the Bank of Italy and CONSOB, which approve CC&G's regulations that it puts in place for its members.

In 2009, CC&G was granted Recognised Overseas Clearing House status by the UK Financial Services Authority (now the FCA) to operate in the UK. In May 2014, CC&G received approval from the Bank of Italy and a college of regulators to operate as CCP in the European Union under EMIR and the approval for interoperability with LCH SA for Italian Government bonds traded on the MTS platform.

CC&G acts as clearing house and CCP for transactions covering a broad range of trading venues and asset classes such as shares, warrants and convertible bonds listed on MTA market, closed-end funds, investment companies and real estate investment companies listed on MIV, ETFs and ETCs listed on ETFPlus, stock and index futures and options listed on IDEM, energy futures listed on IDEX, futures on durum wheat on AGREX, Italian Government bonds and repos traded on MTS, EuroMTS, NEX BrokerTec and e-MID, and Italian Government bonds and corporate bonds listed on MOT, EuroTLX and Hi-MTF. CC&G also acts as a clearing house and CCP for transactions covering bonds listed on EuroMOT, ExtraMOT, EuroTLX and Hi-MTF, settling in Euroclear or Clearstream, Luxembourg.

CC&G also provides a guarantee service for the New MIC, the interbank collateralised deposit market in Italy. The New MIC was launched in October 2010 as a successor to the original MIC project, which was created to stimulate the Italian market after the financial crisis in 2008 and operated with the Bank of Italy as its guarantor.

CC&G has a tiered membership structure based on three participation-based categories. Margin requirements are applied for each type of financial instrument guaranteed by CC&G. These requirements are aimed at covering, in all but extreme market conditions, the potential losses that would result from the closure of an insolvent member's open positions. Different levels of margin requirements are used, depending on the nature and level of liquidity of the product. CC&G's risk committee autonomously sets the liquidity parameters, using analysis conducted by CC&G's risk management department.

CC&G's income is primarily driven by interest on investments (made using cash deposited as initial margins and default fund) and by fees charged to clients for clearing, based on transaction volumes. The balances from margin and default funds are also actively invested by CC&G to generate treasury income. Investments are mainly short-term and secured in nature and meet the criteria set out in CC&G's financial risk policy and in accordance with EMIR.

Monte Titoli

Monte Titoli is the Italian CSD offering settlement and custody services for Italian and other European instruments. It is authorised to perform these activities by the Bank of Italy and supervised by both the Bank of Italy and CONSOB, the Italian authorities with regulatory and supervisory powers over the Italian financial system. Monte Titoli performs custody services for a wide range of financial instruments encompassing government securities, corporate bonds (including ABSs), shares/covered warrants and mutual investment funds (closed-end funds, property funds and ETFs). Almost all securities held in Monte Titoli are in dematerialised (i.e. electronic) form. The remaining securities are held as global or jumbo certificates, but managed in book entry form.

Monte Titoli signed the T2S Framework Agreement and participated in the first wave of T2S, which went live in August 2015. T2S is the new centralised settlement platform for securities, developed and operated by the Eurosystem (the European Central Bank and the national central banks of the Eurozone), created to provide settlement services for transactions in Central Bank money. In parallel Monte Titoli launched its proprietary platform X-COM, a full triparty collateral management service.

Information Services

LSEG's Information Services division is, through FTSE Russell, a leading provider of investment decision support tools including benchmarking and index licensing products and related analytical tools, and also delivers real-time and historical market data, post trade confirmation and reporting services, as well as other securities information ensuring efficient price discovery and market intelligence for investors.

LSEG's Information Services division accounted for, on a continuing operations basis, 38 per cent. of LSEG's total income in the financial year ended 31 December 2017 (compared to 36 per cent. in the financial year ended 31 December 2016).

FTSE Russell

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates hundreds of thousands of indexes that measure and benchmark markets and asset classes covering 98 per cent. of the investable market globally. FTSE Russell clients have approximately U.S. \$15 trillion of assets under management benchmarked to its indexes.

FTSE Russell's index expertise and products are used extensively by institutional and retail investors globally. Leading asset owners, asset managers, ETF providers and investment banks use FTSE Russell indexes to benchmark their investment performance and create investment products such as ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell's index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

LSEG generates revenue from licensing index data directly to users and via third party re-distributors for investment analysis and benchmarking plus licensing the use of index IP for the creation of index-tracking funds and derivative products with indexes as the underlying.

In 2011, LSEG acquired the 50 per cent. stake in FTSE Group that it did not already own and in 2014, LSEG announced the completion of the acquisition of Russell, including its index business. In 2015, LSEG announced the launch of FTSE Russell, the new integrated name created for the combined businesses of FTSE Group and the Russell Index business. FTSE Russell now operates as one joint global index business, with a combined sales and product team serving its global customer base.

In 2013, FTSE and TMX combined their fixed-income businesses in a new joint venture, FTSE Global Debt Capital Markets (**FTSE Global DCM**). In April 2014, FTSE Global DCM acquired MTS Indices, which provides total-return indexes measuring the performance of the largest and most widely-traded securities in the euro bond market. In April 2018, LSEG acquired minority interests to assume 100 per cent. ownership of the FTSE Global DCM joint venture.

In January 2017, LSEG completed the acquisition of Mergent, a leading provider of business and financial information on public and private companies. With advanced data collection services, cloud based applications, desktop analytics and print products, Mergent provides data and analysis including top down economic and demographic information, detailed equity and debt fundamental analysis and research services.

In August 2017, LSEG completed the acquisition of The Yield Book and Citi Fixed Income Indices, a fixed income analytics platform and index business including a family of fixed income indexes (including the World Government Bond Index).

Real-time data

LSEG provides real-time data on a range of tradable instruments, across cash equities, covered warrants, ETFs, derivatives, fixed-income and indexes. Real-time data is distributed through direct network coverage to financial institutions and also through a further network of licenced redistributors to reach a diverse audience of more than one million users globally.

Each of London Stock Exchange's and Borsa Italiana's market data comprises several levels of data, including trade prices, volumes and a fully visible tick-by-tick order book. Each level of data is designed to suit the needs of different users, whether actively trading on the markets or using the service to inform trading, investment or other business decisions.

LSEG generates revenue in its real-time data businesses by charging licence fees to users to access and utilise the data. Users of real-time data are charged according to the level of data they receive, the number of users and the nature of their utilisation of the data. Fees are also levied on information vendors to act as a re-distributor of data.

UnaVista

UnaVista is a secure, hosted platform for providing matching, validation, reconciliation and transaction reporting services. UnaVista offers a range of business solutions within three areas: post trade services, data solutions and reconciliations.

UnaVista post trade services include three main products: transaction reporting, trade confirmation matching and a swaps portal.

In 2013, LSEG launched the EMIR Trade Repository solution, approved by the ESMA as a repository across all asset classes and geographies, and the UnaVista Rules Engine to assist in regulatory reporting. The UnaVista Rules Engine acts as a central hub for the production of data to meet global regulatory reporting requirements, with linkages to other global trade repositories. Using a firm's source data, UnaVista global multi-asset class reference data of 5 million tradable products, and the relevant regulation's rules logic, the data is enriched and routed to the required destinations.

SEDOL Masterfile/London Stock Exchange as the UK representative of the Association of National Numbering Agencies

SEDOL Masterfile is LSEG's global, multi-asset class reference data service, providing unique identification codes (**SEDOL codes**) for global equity, derivatives and fixed-income securities. The SEDOL Masterfile is hosted on the UnaVista platform allowing real-time creation and functionality directly through browser access. SEDOL codes are also available via a customised pre-allocation service so that issuers can improve new issuance processing time frames.

London Stock Exchange is the UK representative of the Association of National Numbering Agencies. As such, it allocates UK ISINs. In an extension to this, London Stock Exchange LEI Ltd, a wholly-owned indirect subsidiary of LSEG, is a fully accredited local operating unit for the global allocation of legal entity identifiers, which uniquely identify every legal entity or structure, in any jurisdiction, which is party to a financial transaction.

RNS

RNS is a regulatory and financial communications channel and helps companies and their intermediaries to fulfil their UK and other global regulatory disclosure obligations. RNS operates as a Primary Information Provider and is regulated by the FCA.

Clients include Britain's leading listed companies and UK financial public relations firms and corporate advisers.

Over 310,000 announcements were processed by RNS during the year ended 31 December 2017. Releasing announcements through RNS ensures company information is distributed immediately and accurately in full text and in industry-leading formats. Announcements are visible to the investment community via a vast array of terminals, databases and financial websites worldwide, including Thomson Reuters, Bloomberg, Dow Jones and the London Stock Exchange's own website.

Technology Services

The Technology Services division accounted for, on a continuing operations basis, 6 per cent. of LSEG's total income in the financial year ended 31 December 2017 (compared to 6 per cent. in the financial year ended 31 December 2016).

MillenniumIT

In 2009, LSEG acquired MillenniumIT, a Sri Lankan-based technology services company. MillenniumIT provides advanced market leading capital markets software and has implemented solutions for over 40 organisations and exchanges worldwide. A wide range of software solutions are offered by MillenniumIT, including (but not limited to):

- Millennium Exchange, the flagship multi-asset trading platform, through which all of the Group's cash equity and retail bond markets run;
- Millennium Market Data, the real time data and index calculation platform;
- Millennium Surveillance, which detects abnormal trading behaviour; and

- Millennium PostTrade, which offers real time clearing, settlement, risk management and CSD solutions.

In December 2017, LSEG announced that Lanka Century Investments had acquired full ownership of MillenniumIT ESP, a global IT enterprise solutions provider, part of the MillenniumIT business. LSEG retained MillenniumIT Software, the trading technology and software development component of the business.

GATElab

LSEG's Italian and UK based technology company is a provider of fully MiFID II compliant trading and post trade solutions to the global financial community. The products and services GATElab offers to the buy-side, sell-side and hedge fund partners include multi-asset cross-market electronic trading platforms, ultra-low latency pre-trade risk market adapters, smart order routing for equities and bonds, and post trade deal capture and cross-asset margining.

Other technology services

LSEG also offers a suite of technology services for client access and connectivity to a variety of trading and real-time market data services. LSEG provides a co-location service called "Exchange Hosting", which allows ultra-low latency sensitive trading clients to place servers running their trading operations in LSEG's data centre, thereby significantly reducing network latency and providing high performance trading access. LSEG's Group Ticker Plant project, launched in 2014, is a high speed technology platform providing a single normalised real-time market data protocol for broadcast of market data from across LSEG, regardless of asset-class, trading platform or geography.

Risk Management

LSEG is a widely, and increasingly, diversified financial infrastructure group, and LSEG believes the management of risk to be fundamental to the successful execution of its strategic plan. As LSEG has grown and the regulatory environment has become more complex, it has adapted to meet the challenges of the post-crisis markets, working to enhance its risk management capabilities while striving to protect the value of its business. While its formal risk framework codifies the objectives and practices that govern its processes, its risk culture determines the manner in which it manages risks every day.

LSEG's management culture embeds risk awareness, transparency and accountability. A strong emphasis is placed on the timely identification and reporting of risk exposures and in the strategic analysis of prevailing or anticipated risks. The responsibility for identifying and managing risks rests with management and with the LSEG Executive Committee, with independent oversight from LSEG's Group risk management team and from LSEG's Board Risk Committee. LSEG's risk culture is one of its most fundamental tools for effective risk management. LSEG's behaviour framework feeds into the criteria that it uses to assess the effectiveness of its risk culture and the communication, escalation and use of risk analysis to make strategic decisions.

The following risk objectives of LSEG are derived from LSEG's strategy as defined annually by the LSEG Board:

- Maintaining a strong risk culture throughout LSEG: the risk management framework is embedded within divisions and functions.
- Maintaining stakeholder confidence: LSEG's stakeholders have confidence in its ability to deliver its strategic objectives with robust and effective governance and operational controls.
- Maintaining stable earnings growth: the strategic growth of the business is delivered in a controlled manner with long-term value enhancement and low volatility of underlying profitability.
- Maintaining capital requirements: LSEG has sufficient capital resources to meet regulatory requirements, to cover unexpected losses and to meet its strategic ambitions.
- Maintaining liquidity: LSEG retains or has adequate access to funding to meet its obligations, taking into account the availability of funds.
- Monitoring and managing credit risk exposure in conjunction with prevailing macroeconomic and geopolitical factors to ensure Group Thresholds limits (the process by which the Group monitors and

manages the aggregate counterparty credit risk exposure arising from our clearing and treasury activities) are always adhered to.

- Ensuring prudent levels of margin, default funds and liquidity arrangements in LSEG's CCPs.
- Maintaining operational stability by facilitating orderly market operations: LSEG's operations are delivered in a secure and efficient manner without disruption.
- Achieving operational excellence consistent with LSEG's aspiration to be operationally "best in class".
- Maintaining physical and IT security to protect LSEG's assets, its people, infrastructure, data and other assets.
- Adhering to regulatory requirements: LSEG conducts activities at all times in full compliance with its regulatory obligations.

LSEG's risk control structure is based on the "3 lines of defence" model:

- the first line (Management) is responsible and accountable for identifying, assessing and managing risk;
- the second line (Risk Management and Compliance) is responsible for defining the risk management process and policy framework, providing challenge to the first line on risk management activities, assessing risks and reporting to committees of the LSEG Board on risk exposure; and
- the third line (Internal Audit) provides independent assurance to the LSEG Board and other key stakeholders over the effectiveness of the systems of controls and the enterprise risk management framework (ERMF).

Key risk categories include strategic, operational, and financial risks. LSEG recognises that each of these risks, if not properly managed and/or mitigated could have an adverse impact on LSEG and on each of its subsidiary's reputation.

LSEG's approach to managing risks includes a bottom up and a top down approach. Key external and internal factors are stress tested across LSEG's operations to assess the potential impact on the financial results, strategic plans and operational resilience.

LSEG has an ongoing programme of development and enhancement of its ERMF. The ERMF metrics and indicators include stress testing used to monitor risks against risk appetite to respond to emerging or expected risks.

LSEG's risk oversight capabilities include:

- strategic risks are evaluated as part of the strategic planning process and routinely re-assessed as part of the overall enterprise wide risk management framework. A financial stress testing process is used as a tool to measure and monitor strategic risks and to support the LSEG Board's expectation that LSEG will continue to operate and meet its liabilities as they fall due for at least the next three years. Under this group-wide stress testing process, a set of severe but plausible scenarios appropriate to the business of LSEG and reflecting its principal risks is determined by LSEG management to define bear cases, and the financial impact of each on LSEG is quantified. The scenario impacts are evaluated on LSEG's key financial metrics: liquidity headroom; leverage and interest rate cover ratios; and regulatory capital headroom. In addition, a set of compounded stresses is evaluated to provide further confidence on the ongoing financial viability of LSEG even under very highly stressed environments. The stress test results feed into the strategic plan and are used to assess major strategic undertakings;
- the management of financial risk exposures for credit and counterparty risk using an aggregation tool and VaR calculation engine which aggregates clearing and treasury exposures on a T+1 basis across LSEG and includes automated stress scenario testing on counterparty risk. The LSEG Risk Appetite defines limits for key financial risk metrics and these are monitored and reported monthly to the LSEG Financial Risk Committee; and
- risk assessment of operational and regulatory risks based on key risk indicators and changes to risk drivers on a monthly basis which are consolidated from business unit level to a Divisional level and consolidated and reported at a LSEG level to the LSEG Risk Committee on a quarterly basis.

Risks are assessed against LSEG's risk appetite which is approved by the LSEG Board on an annual basis.

Each of LSEG's CCPs complies with the appropriate regulatory requirements. Consequently, they each manage their risk under the governance of their board of directors and of their internal risk management structure. LSEG monitors the CCPs aggregated risks positions by using tools that measure the overall exposure to counterparty, credit and liquidity risks. It uses a bottom up approach for the monitoring of operational risks.

As well as being managed by the CCP's own independent processes, CCPs risks are reported to and overseen by LSEG's Executive Committee and the LSEG Board Risk Committee.

As an integral part of its risk management framework LSEG maintains a comprehensive portfolio of insurance policies that are designed to provide cover for specific risks or liabilities that may arise from activities undertaken by businesses. In order to assess the scope and the adequacy of coverage, the risk profile of LSEG is evaluated on an annual basis to ensure an appropriate level of risk transfer via a group-wide master and local insurance policies.

Employees

A key facet of the Group's strategy is attracting, developing and retaining the right employees for every role. To achieve this, the Group places great importance on supporting its employees' development. In addition, the Group emphasises diversity and equal opportunities among its employees. For example, as at 31 December 2017, the Group had approximately 4,900 employees based in 19 countries from 72 different nationalities. The Group's ambition is to have 40 per cent. female representation both for senior management and overall employee numbers, by 2020.

Litigation

The LCH Group has had correspondence and discussions with the joint special administrators (the **Administrators**) of MF Global UK Limited (**MFG**) in relation to a default management exercise that took place prior to LCH's acquisition by LSEG. The Administrators made an application to the English High Court seeking an Order to compel disclosure of certain documents and information which was rejected by the High Court. Separately, proceedings were filed in the Paris Commercial Court by the Administrators seeking to assess any losses suffered by MFG in connection with the close-out of MFG's positions at the time of its default and to establish the extent (and quantum) of LCH SA's liability for such losses, if any. These claims were rejected by the Paris Commercial Court in May 2016 on the basis that the proceedings were in any event time-barred under LCH SA's rulebook. This decision has been appealed, with a decision in relation to the appeal expected in 2018. LCH SA is not aware of any basis for a successful claim and firmly rejects any allegations of potential liability.

Material Contracts

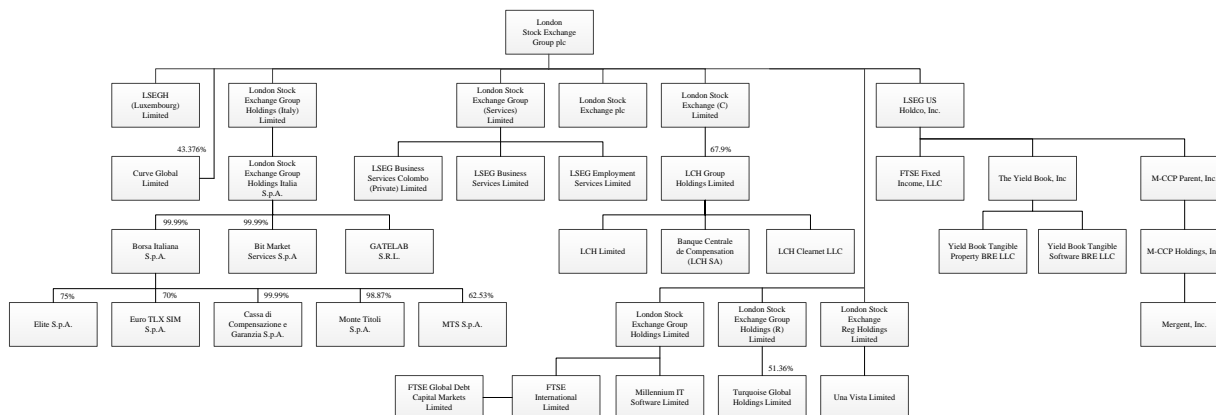
LSEG has not entered into any material contracts in areas outside of its ordinary course of business which could result in any member of LSEG being under an obligation or an entitlement that is material to LSEG's ability to meet its obligations to holders of the Notes issued under the Programme.

Corporate governance

LSEG complies with all provisions of the UK Corporate Governance Code published by the UK Financial Reporting Council.

Structure of LSEG

LSEG is the ultimate holding company of the London Stock Exchange group. The following chart shows LSEG and its current material subsidiaries and joint ventures at the date of this document.



Note: Entities are 100 per cent. held unless otherwise stated.

Directors

LSEG's Directors as at 24 October 2018 (being the Latest Practicable Date) (in such capacities, each having their business address at 10 Paternoster Square, London, EC4M 7LS, United Kingdom) and their principal activities performed outside the London Stock Exchange Group plc that are significant with respect to the London Stock Exchange Group plc (other than activities in relation to other members of LSEG), are as follows:

| Name | Role | Principal activities performed outside LSEG: |
|--------------------------|---|---|
| Donald Brydon CBE | Chairman of the Group and the Nomination Committee | Chairman of The Sage Group plc, Chairman of the charity Chance to Shine, Chairman of the Medical Research Council, Chairman of the Science Museum Foundation and Trustee Board Member of the Foundation for Science and Technology. |
| David Schwimmer | Group Chief Executive Officer | No other current appointments. |
| David Warren | Group Chief Financial Officer | No other current appointments. |
| Raffaele Jerusalmi | Executive Director, Chief Executive Officer of Borsa Italiana and Director of Capital Markets | No other current appointments. |
| Jacques Aigrain | Independent Non-Executive Director and Chairman of the Remuneration Committee | Senior Advisor of Financial Services at Warburg Pincus LLP, Chairman of Acutronic Holding AG, Chairman of LyondellBasell Industries NV and a Non-Executive Director of WPP Plc. |

| | | |
|------------------------|--|---|
| Paul Heiden | Senior Independent Non-Executive Director | Non-Executive Director of Meggitt PLC. |
| Andrea Sironi | Independent Non-Executive Director | Professor of Banking and Finance of Bocconi University, Italy, Non-Executive Director of Cogentech S.c.a.r.l and an Independent Non-Executive Director of Unicredit Group. |
| David Nish | Independent Non-Executive Director and Chairman of the Audit Committee | Non-Executive Director of Vodafone Group Plc, Zurich Insurance Group Limited and HSBC Holdings plc. |
| Stephen O'Connor | Independent Non-Executive Director and Chairman of the Risk Committee | Chairman of Quantile Technologies Ltd. A member of the Scientific Advisory Board of the Systemic Risk Centre, London School of Economics and Political Science and Chairman of HSBC Bank plc. |
| Marshall Bailey OBE | Independent Non-Executive Director | Chairman of the Financial Services Compensation Scheme. Non-Executive Chairman of CIBC World Markets Plc and a member of the Audit Committee for the London branch. The representative for the Public Investments Fund in Saudi Arabia on the Board of the National Commercial Bank in Jeddah and serves as Chairman of the Risk Committee. Non-Executive Director and Chair of Risk Committee of Chubb Insurance Europe. |
| Val Rahmani | Independent Non-Executive Director | Non-Executive Director and member of the Audit Committee at RenaissanceRe Holdings Limited, Non-Executive Director of Computer Task Group Inc where she chairs the Compensation Committee and serves as a member of the Audit and Governance Committees and a Non- Executive Director of Rungway. |
| Ruth Wandhöfer | Independent Non-Executive Director | Advisory Board Member of the European Association for Biometrics, Member of the Global Blockchain Business Council, Non-Executive Director of Pendo Systems Inc. and a Non-Executive Director of Permanent TSB (with effect from 30 October 2018). |

There are no potential conflicts of interest between duties to LSEG of its Directors and their private interests and other duties.

Share capital

As at close of business on 24 October 2018 (being the Latest Practicable Date), LSEG had 350,600,994 ordinary shares in issue with a nominal value of 6 79/86 pence each, representing 100 per cent. of the total issued share capital. As at close of business on the Latest Practicable Date, LSEG had 2,442,861 treasury shares in issue, with a nominal value of 6 79/86 pence each, representing circa. 0.7 per cent. of the total issued share capital.

As at the Latest Practicable Date, LSEG has been notified of the following interests amounting to more than 3 per cent. in its issued share capital in accordance with sections 791 to 828 of the Companies Act 2006 and the Disclosure and Transparency Rules:

| Name | % of issued share capital |
|-----------------------------------|--------------------------------------|
| Qatar Investment Authority | 10.31 |
| BlackRock, Inc. | 6.91 |
| The Capital Group Companies, Inc. | 6.81 |
| Lindsell Train Limited | 5.00 |
| Invesco Limited | 4.97 |
| Veritas Asset Management | 3.98 |

ALTERNATIVE PERFORMANCE MEASURES

LSEG plc uses adjusted figures and underlying growth rates, which are not defined by generally accepted accounting principles such as IFRS. Adjusted figures and underlying growth rates are presented as additional performance measures used by management, as they provide relevant information in assessing LSEG's performance, position and cash flows. LSEG believes that these measures enable investors to more clearly track the core operational performance of LSEG, by separating out items of income or expenditure relating to acquisitions, disposals, capital items and excluding currency translation effects, while providing investors with a clear basis for assessing LSEG's ability to raise debt and invest in new business opportunities. LSEG's management uses these financial measures, along with IFRS financial measures, in evaluating the operating performance of LSEG as a whole and the individual business segments. Adjusted and underlying financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The measures may not be directly comparable to similarly reported measures by other companies.

The adjusted financial measures used are:

| Alternative Performance Measure | Definition of APM | Method of calculation | Rationale for inclusion |
|---------------------------------|---|---|---|
| Expenses | Financial measure to express the expenditures of the Group that relate to the generation of the Total Income recognised | On a continuing basis and before acquisition amortisation and non-recurring items: Cost of Sales added to Operating Expenses (where Operating Expenses includes depreciation and amortisation and excludes Gain on disposal of business/assets held for sale and Share of loss after tax of associates) | Comparability against the Total Income figure as presented |
| EBITDA | Financial measure to express profitability before the effects of income taxes, depreciation, amortisation, finance expenses and certain other items considered nonrecurring and/or of non-cash nature | From continuing operations: Profit Before Tax <i>and before</i> Acquisition amortisation and non-recurring items <i>plus</i> Net Finance Expense <i>plus</i> Depreciation, non-acquisition software amortisation and impairment | Measure of operating performance |
| EBITDA margin | Financial measure to express operating profitability as a percentage of the Group's total income for the period | EBITDA for the period divided by the Total Income for the period | Measure of operating profitability to demonstrate cost control and underlying profitability |

| Alternative Performance Measure | Definition of APM | Method of calculation | Rationale for inclusion |
|--|---|---|---|
| Segmental EBITDA | Financial measure to express a operating segment's profitability before the effects of income taxes, depreciation, amortisation, finance expenses and certain other items considered nonrecurring and/or of non-cash nature | Operating profit/(loss) before amortisation of purchased intangible assets and non-recurring items <i>minus</i> depreciation, software amortisation and impairment | Measure of segmental operating performance |
| Segmental EBITDA margin | Financial measure to express operating profitability as a percentage of the segment's total income for the period | Segmental EBITDA for the period divided by the segment's Total Income for the period | Measure of operating profitability to demonstrate cost control and underlying profitability |
| Dividend cover | Financial measure to express the number of times dividends are covered by earnings | As presented on the face of the Consolidated Income Statement "Adjusted Basic Earnings Per Share" attributable to equity holders from continuing and discontinued operations divided by the "Dividend per share in respect of the financial year" | Provides information on the Group's ability to pay dividends from earnings |
| Net interest paid | Cashflow measure to express the cashflow impact of the payment of interest | As presented on the face of the Consolidated Cashflow Statement for the period: Interest paid <i>plus</i> Interest received | To summarise an extract from the Group's cashflow statement and support the calculation of discretionary free cashflow and free cashflow measures |
| Tax paid | Financial measure to express the total amount of taxation paid in the period | As presented on the face of the Consolidated Cashflow Statement for the period: Corporation tax paid <i>plus</i> Withholding tax paid | To summarise an extract from the Group's cashflow statement and support the calculation of discretionary free cashflow and free cashflow measures |

| Alternative Performance Measure | Definition of APM | Method of calculation | Rationale for inclusion |
|--|--|--|---|
| Investment activities | Financial measure to express the level of cash investment made into the business in the period | As presented on the face of the Consolidated Cashflow Statement for the period: Net cash (outflow) / inflow from investing activities <i>minus</i> Acquisition of business, net of cash acquired | To summarise an extract from the Group's cashflow statement and support the calculation of discretionary free cashflow and free cashflow measures |
| Discretionary free cashflow | Financial measure to express the amount of cash generated by the Group before it pays dividends | Cash generated from operations <i>minus</i> Net interest paid <i>minus</i> Tax paid <i>minus</i> Investment activities | To summarise an extract from the Group's cashflow statement and support the calculation of free cashflow measures |
| Dividends | Financial measure to express the amount if dividends paid as cash by the Group in the period | As presented on the face of the Consolidated Cashflow Statement for the period: Dividends paid to shareholders <i>plus</i> Dividends paid to non-controlling interests | To summarise an extract from the Group's cashflow statement and support the calculation of discretionary free cashflow and free cashflow measures |
| Free cashflow | Financial measure to express the level of cash generated by the Group that cash be used to fund growth | Discretionary free cashflow <i>minus</i> Dividends | To summarise an extract from the Group's cashflow statement and support the calculation of discretionary free cashflow |

CLEARING AND SETTLEMENT

Notes

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of any Series of Notes. A temporary global Note and/or a permanent global Note without coupons may be deposited with a common depository or common safekeeper, as the case may be, for Clearstream, Luxembourg and/or Euroclear or an alternative clearing system as agreed between the Issuer and Dealer. Transfers of interests in such temporary global Notes or permanent global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear or, if appropriate, the alternative clearing system. Each global Note deposited with a common depository or common safekeeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code.

CREST Depository Interests

If so specified in the applicable Final Terms, following the delivery of an issue of Notes into Euroclear and/or Clearstream, Luxembourg (the **Relevant Clearing Systems** and each a **Relevant Clearing System**), investors may also hold interests in the Notes through CREST through the issuance of CREST Depository Interests or CDIs issued, held, settled and transferred through CREST, representing interests in the Underlying Notes. CREST Depository Interests are independent securities distinct from the Notes, constituted under, and governed by, English law and transferred through CREST and will be issued by CREST Depository pursuant to the CREST Deed Poll.

The CDIs will represent indirect interests in the interest of the CREST Nominee in the Underlying Notes. Pursuant to the CREST Manual, Notes held in global form by the common depository or common safekeeper may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities distinct from the Notes, constituted under English law, and may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee's account with a Relevant Clearing System and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to the CDI Holders any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holders. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Notes and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Notes by a CREST participant to a participant of a Relevant Clearing System will be effected by cancellation of the corresponding CDIs and transfer of an interest in such Underlying Notes to the account of the relevant participant with a Relevant Clearing System.

The CDIs will have the same ISIN as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Section 3 (Crest International Manual) of the CREST Manual issued by Euroclear UK & Ireland Limited (including the CREST International Manual dated 14 April 2008) as amended, modified, varied or supplemented from time to time which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, the Relevant Clearing Systems and the Issuer including the CREST Deed Poll (in the form contained in Section 3 of the CREST Manual) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service. The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.
- (b) The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a Relevant Clearing System. Rights in the Underlying Notes will be held through custodial and depositary links through the appropriate Relevant Clearing Systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the Relevant Clearing System in or through which the Underlying Notes are held.
- (c) Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in Relevant Clearing Systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.
- (d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST Manual and the CREST Rules (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (e) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
- (f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from the CREST website (at 26 October 2018, being at <https://my.euroclear.com/euilegal.html>).
- (g) Potential investors should note that CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.
- (h) Potential investors should note that none of the Issuer, the relevant Dealer, the Trustee and the Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.
- (i) Potential investors should note that Notes represented upon issue by a temporary global Note exchangeable for a permanent global Note will not be immediately eligible for CREST settlement as CDIs. In such case, investors investing in the Underlying Notes through CDIs will only receive the CDIs after such temporary global Note is exchanged for a permanent global Note, which could take up to 40 days after the issue of the Notes. It is anticipated that Notes eligible for CREST settlement as CDIs will be issued initially in the form of a permanent global Note.

TAXATION

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and HM Revenue & Customs (HMRC) published practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of interest in respect of Notes. It is general in nature and does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. Some aspects may not apply to certain classes of person (such as persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are unsure as to their tax position should seek their own professional advice.

Payment of Interest on the Notes

Payments of interest on the Notes may be made without deduction or withholding for or on account of United Kingdom income tax provided that the Notes are and continue to be "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007. For this to be the case, the Notes must be, and continue to be, listed on a "recognised stock exchange", as defined in section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List within the meaning of and in accordance with the provisions of Part 6 of the FSMA and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes are and remain so listed at the time of payment, interest on the Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom income tax where interest on the Notes is paid by a company and, at the time the payment is made, that company reasonably believes that the beneficial owner is either a UK resident company or a non-UK resident company carrying on a trade in the UK through a permanent establishment which brings into account the interest in computing its UK taxable profits or falls within various categories enjoying a special tax status (including specified pension funds) or are partnerships consisting of such persons, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom income tax where the interest is not "yearly interest" within the meaning of section 874 of the Income Tax Act 2007. Generally interest is not "yearly interest" where the maturity of the Notes is less than 365 days after issue and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

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

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment where paid without withholding. However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder who is not resident for tax purposes in the United Kingdom unless that Noteholder (i) carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, for Noteholders who are companies, through a United Kingdom permanent establishment in connection with which the interest is received or to which the Notes are attributable or (ii) is a trustee of a certain kind of trust with a UK beneficiary. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions relating to additional payments referred to in Condition 8 of the Notes would not apply if HMRC sought to assess the person entitled to the relevant interest or (where applicable) profit on any Note directly to United Kingdom income tax.

However, exemption from or reduction of such United Kingdom tax liability might be available under an applicable double taxation treaty.

The reference to “interest” in this United Kingdom Taxation section means “interest” as understood in United Kingdom tax law, and in particular any premium element of the redemption amount of any Notes redeemable at a premium may constitute a payment of interest subject to the withholding tax provisions discussed above. In certain cases, the same could be true for amounts of discount where Notes are issued at a discount. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

The Proposed Financial Transaction Tax (FTT)

On 14 February 2013, the European Commission published the Commission’s Proposal for a Directive for a common FTT in the participating Member States and Estonia. However, Estonia has ceased to participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Italy

Resident investors

Where the Italian resident beneficial owner is (i) an individual not engaged in an entrepreneurial activity to which the Notes are effectively connected (unless he/she has entrusted the management of his/her financial assets, including the Notes, to an Italian authorized financial intermediary and has opted for the application of the “*risparmio gestito*” regime under article 6 of Decree no. 461/1997) (ii) a non-commercial partnership (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. In the event that the noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident beneficial owner of the Notes is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva* but must be included in the relevant noteholder’s income tax return and are, therefore, subject to Italian corporate income tax (**IRES**), and, in certain circumstances, depending on the “status” of the noteholders, also to regional tax on productive activities (**IRAP**).

Non-resident investors

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident beneficial owner of interest or premium relating to the Notes provided that, if the Notes are deposited with an intermediary in Italy, the non-Italian resident beneficial owner of the Notes files an application with such intermediary declaring itself to be a non-Italian resident.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated dealer agreement dated 26 October 2018 (as modified and/or supplemented and/or restated from time to time, the **Dealer Agreement**) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*” above. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering or completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, US persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers, sales and deliveries of the Notes within the United States or to, or for the account or benefit of, US persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the later of the commencement of the offering or completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes, which are in bearer form, are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US Treasury regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. In particular, it is agreed and understood that an offer, sale or delivery of any Note held by a Dealer as part of an unsold allotment or subscription shall be deemed to be made during the restricted period for purposes of the above representations and agreements. The applicable Final Terms will identify whether the TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each issue of RPI-Linked Notes shall be subject to such additional US selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional US selling restrictions.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any such Notes which are the subject of the offering contemplated by the Offering Circular as completed by the applicable Final Terms in relation thereto to any retail investor in the European Economic Area (**EEA**). For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of any such Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved Prospectus*: if the applicable Final Terms in relation to such Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Final Terms contemplating such Public Offer, in accordance with the Prospectus Directive in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes having a maturity of less than one year from the date of their issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949, as amended)) or to others for re offering or re sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

Jersey

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that there shall be no circulation in Jersey of any offer for subscription, sale or exchange of any Notes unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the United Kingdom without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom.

Guernsey

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) the Notes cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, and the regulations enacted thereunder, or any exemption therefrom;

- (b) this Offering Circular has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey; and
- (c) this Offering Circular may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

Isle of Man

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not circulated, and will not circulate, in the Isle of Man, any offer for subscription, sale or exchange of the Notes, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or in accordance with any relevant exclusion contained in the Isle of Man Regulated Activities Order 2011 or in accordance with any relevant exemption contained in the Isle of Man Financial Services (Exemptions) Regulations 2011.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of a committee of the Board of the Issuer passed on 9 October 2012 and duly authorised by a resolution of the Board of the Issuer passed on 10 October 2012. This update of the Programme has been duly authorised by resolutions of a committee of the Board of the Issuer passed on 25 October 2018 and duly authorised by a resolution of the Board of the Issuer passed on 18 October 2018.

Listing of Notes on the Official List

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a global Note initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. Such application is expected to be granted on or around 31 October 2018.

Application may also be made to the CONSOB for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list maintained by the CONSOB and to the Borsa Italiana for such Notes to be admitted to trading on Borsa Italiana's regulated market.

Clearing Systems

The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Clearstream, Luxembourg and Euroclear will be specified in the applicable Final Terms. If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

If so specified in the applicable Final Terms, interests in the Notes may also be held through CREST through the issuance of CDIs representing Underlying Notes. The address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

The yield for any particular Tranche of Notes will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is an example formula for the purposes of calculating the yield of Fixed Rate Notes or Zero Coupon Notes. The applicable Final Terms in respect of any Floating Rate Notes will not include any indication of yield.

$$\text{Issue Price} = \text{Rate of Interest} * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^n}\right)}{\text{Yield}} + \left[\text{Final Redemption Amount} * \frac{1}{(1 + \text{Yield})^n} \right]$$

Where:

Rate of Interest means the Rate of Interest expressed as a percentage as specified in the applicable Final Terms and adjusted according to the frequency (and in the case of Zero Coupon Notes, means “0”) ie for a semi-annual paying Note, the rate of interest is half the stated annualised rate of interest in the applicable Final Terms;

Yield means the yield to maturity calculated on a frequency commensurate with the frequency of interest payments as specified in the applicable Final Terms (and in the case of Zero Coupon Notes, means the Accrual Yield as specified in the applicable Final Terms); and

n means the number of interest payments to maturity.

Set out below is a worked example illustrating how the yield in respect of any Tranche of Fixed Rate Notes could be calculated on the basis of the above formula. It is provided for purposes of illustration only and should not be taken as an indication or prediction of the yield in respect of any Tranche of Notes; it is intended merely to illustrate the way which the above formula could be applied.

Where:

n = 6

Rate of Interest = 3.875%

Issue Price = 99.392

Final Redemption Amount = 100

$$99.392 = 3.875 * \frac{1 - \left(\frac{1}{(1 + Yield)^6}\right)}{Yield} + \left[100 * \frac{1}{(1 + Yield)^6}\right]$$

Yield = 3.99% (calculated by iteration)

The yield specified in the applicable Final Terms in respect of a Tranche of Notes will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2017.

Governmental, Legal and Arbitration Proceedings

Save as disclosed on page 146 in the paragraph headed “Litigation”, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), in the twelve months prior to the date of this Offering Circular which may have or have had in such period a significant effect on the financial position or the profitability of the Issuer and the Group.

Auditors

The financial statements of the Issuer have been audited without qualification for the financial years ended 31 December 2017 and 31 December 2016 by Ernst & Young LLP of 1 More London Place, London SE1 2AF. Ernst & Young LLP is registered to carry out audit work by the Institute of Chartered Accountants of England and Wales. Ernst & Young LLP have no material interest in the Issuer.

Trust Deed

The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or any engagement letter or other document entered into by the Trustee and the

Auditors or such other expert in connection therewith contains any limit on the liability (monetary or otherwise) of the Auditors or such other expert.

Documents Available

For the period of 12 months starting on the date on which this Offering Circular is made available to the public as required by the Prospectus Rules, copies of the following documents may be inspected free of charge at the offices of the Agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the annual report of the Issuer for the financial year ended 31 December 2016;
- (c) the annual report of the Issuer for the financial year ended 31 December 2017;
- (d) the interim report of the Issuer for the period ended 30 June 2018;
- (e) the Terms and Conditions of the Notes contained in the Offering Circular published by the Issuer dated 25 August 2017 (pages 90-20 inclusive);
- (f) the Terms and Conditions of the Notes contained in the Offering Circular published by the Issuer dated 11 October 2012 (pages 76-102 inclusive);
- (g) the Agency Agreement, the Trust Deed and the Schedule of Forms (containing the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Coupons and the Talons);
- (h) this Offering Circular; and
- (i) any future offering circulars, prospectuses or information memoranda in respect of the Notes and any supplements thereto including any Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in an European Economic Area Member State nor offered to the public in a European Economic Area Member State in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to its holding and identity) and any other documents incorporated herein or therein by reference.

In addition, this Offering Circular and the documents incorporated by reference herein are available, and each Final Terms relating to Notes which are admitted to trading on the London Stock Exchange's regulated market and/or offered in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Directive will be available, on the website of the Regulatory News Service operated by the London Stock Exchange.

Post-issuance Information

Unless otherwise specified in the applicable Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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

Legal entity identifier

The legal entity identifier of the Issuer is 213800QAUUUP6I445N30.

GLOSSARY

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| <i>benchmark</i> | any rate, index or figure which is made available to the public or published that is periodically or regularly determined by the application of a formula to, or on the basis of the value of one or more underlying assets or prices and by reference to which the amount payable under a financial instrument or the value of a financial instrument is determined. |
| <i>clearing</i> | The business of acting as a CCP. |
| <i>CCP</i> | <p>A clearing house acting as a central clearing counterparty. It intermediates, and therefore takes the risk, of the obligations of transactions between its clearing members (or other CCPs through interoperability arrangements) under the transactions entered into by those clearing members (or by their clearing customers) that are cleared through it.</p> <p>Accordingly, it is exposed to the risk of default by its clearing members and, indirectly in some cases, their clearing customers. It minimises this risk through its membership rules, its default management procedures, by holding margin, and by the establishment of default funds.</p> |
| <i>margin</i> | <p>CCPs hold collateral as margin (whether by way of title transfer to or by creation of a security interest in favour of the CCP). There are various types of margin, as follows:</p> <p>initial margin, is an amount which is calculated, using a financial model, and collected from each clearing member at least daily and which is intended to protect a CCP against the risk of that clearing member's default. The level of initial margin may take into account factors such as market risk, credit risk and product specific risk. Initial margin is generally calculated for each separate category of products cleared (rather than for all a clearing member's positions). Initial margin is provided in the form of acceptable collateral, being cash and eligible securities (broadly, securities of, or guaranteed by, certain appropriately rated governments, but in some cases also including gold, to a limited extent, and some corporate bonds); and</p> <p>variation margin, which is an amount calculated by a CCP at least daily to reflect the change in value of a clearing member's cleared contracts with the CCP and is either credited to, or debited from the clearing member. Variation margin is generally determined by reference to each relevant product category with the relevant CCP and is usually in the form of cash. Variation margin received by the CCP from one clearing member will generally be required to be paid by it to another clearing member as the change in one clearing member's positions will be reflected by an equal and opposite change in another clearing member's positions. The CCP does not therefore earn any investment return on variation margin.</p> |
| <i>default funds</i> | A CCP will call and hold (or may be entitled to call in the future for) default fund contributions from clearing members to create an appropriately sized default fund which has been stress-tested against adverse market scenarios and which is available to be applied in accordance with a waterfall. The default fund of a defaulting member is generally available to reduce losses which exceed that defaulting member's margin; in the event that the defaulting clearing member's margin and default fund contribution is insufficient to cover the loss, the CCP may then be required to make a contribution to remaining losses from its own resources and then non-defaulting members' default fund contributions may be available to cover the loss. The |

size and structure of the default fund will vary from CCP to CCP, and some CCPs may have a separate default fund dedicated to a particular business line or business lines. Some CCPs may be able to require that default funds which have been used be replenished by non-defaulting members.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

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| ABSs | means asset backed securities; |
| Acceptance Statement | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| Agency Agreement | means the Agency Agreement dated 25 August 2017 as modified and/or supplemented and/or restated from time to time; |
| Agent | means HSBC Bank plc, which expression shall include any successor agent; |
| AGREX | means the Italian agricultural commodity derivatives segment of IDEM; |
| AIM | means the London Stock Exchange’s market for smaller and growing companies; |
| AIM Italia | means Borsa Italiana’s market for smaller and growing companies; |
| Amortised Face Amount | has the meaning given to it in Condition 7; |
| applicable Final Terms | has the meaning given to it in the Conditions; |
| Arranger | means Barclays Bank PLC; |
| ATT Only | means admission to trading only; |
| Authorised Offeror | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| Authorised Offeror Contract | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| Authorised Offeror Terms | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| Base Index Figure | has the meaning given to it in Condition 5; |
| BoE | means the Bank of England; |
| Borsa Italiana | means Borsa Italiana S.p.A., a company incorporated in Italy and a subsidiary of LSEG; |
| BRRD/Bank Recovery and Resolution Directive | means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council; |
| Business Day | has the meaning given to it in Condition 4; |
| calculation month | has the meaning given to it in Condition 5; |
| Capital Requirements Directive | means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives |

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| | 2006/48/EC and 2006/49/EC; |
| Capital Requirements Regulation | means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; |
| CC&G | means Cassa di Compensazione e Garanzia S.p.A., a company incorporated in Italy and a subsidiary of LSEG; |
| CCP – defined further in the glossary | means a central clearing counterparty; |
| CDIs | means CREST Depository Interests; |
| CDI Holders | means the holders of the CDIs; |
| CDSClear | means LCH’s clearing service for clearing OTC CDS trades; |
| CFTC | means the US Commodity Futures Trading Commission; |
| Change of Control | has the meaning given to it in Condition 7; |
| Change of Control Period | has the meaning given to it in Condition 7; |
| Change of Control Put Event | has the meaning given to it in Condition 7; |
| Change of Control Put Notice | has the meaning given to it in Condition 7; |
| Clearstream, Luxembourg | means Clearstream Banking S.A.; |
| Code | means the US Internal Revenue Code of 1986; |
| Commission’s Proposal | means the proposal published by the European Commission on 14 February 2013 regarding a common FTT in the participating Member States and Estonia. |
| Common Safekeeper | means a common safekeeper for Euroclear and Clearstream, Luxembourg; |
| Companies Act 2006 | means the Companies Act 2006, including any statutory modification or re-enactment thereof; |
| Companies Act 1985 | means the Companies Act 1985, including any statutory modification or re-enactment thereof; |
| Conditions | means the terms and conditions as set out in the “ <i>Terms and Conditions of the Notes</i> ” section of this Offering Circular and any references in this Offering Circular to a particular specified Condition shall be construed accordingly; |
| CONSOB | means <i>Commissione Nazionale per le Società e la Borsa</i> ; |
| Coupons | has the meaning given to it in the Conditions; |
| Couponholders | has the meaning given to it in the Conditions; |
| CRA Regulation | means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended); |
| CRD IV | means the legislative package made up of the Capital Requirements Directive and the Capital Requirements Regulation; |
| CREST | means the electronic settlement system for UK and Irish securities operated by Euroclear UK and Ireland Limited; |

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| CREST Deed Poll | means the global poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated); |
| CREST Depository | means CREST Depository Limited; |
| CREST Depository Interest | means a dematerialised depository interest; |
| CREST Manual | The rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, CCSS Operations Manual and CREST Glossary of Terms (including the Glossaries to the CREST International Manual and the CREST Central Counterparty Service Manual), as amended and supplemented from time to time; |
| CREST Nominee | means CREST International Nominees Limited; |
| CSD | means a central securities depository; |
| CSDR | means Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012; |
| CurveGlobal | means the joint venture company CurveGlobal Limited; |
| date for payment | has the meaning given to it in Condition 5; |
| Dealers | means the Dealers specified on the back page of this Offering Circular and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis; |
| Designated Maturity | has the meaning given to it in Condition 4; |
| Determination Period | has the meaning given to it in Condition 4; |
| Disclosure and Transparency Rules | means the disclosure and transparency rules made by the Financial Services Authority, now the FCA, under Part VI of the FSMA; |
| Dispute | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| Early Redemption Amount | has the meaning given to it in Condition 7; |
| ECB | means the European Central Bank; |
| EMIR | means European Markets Infrastructure Regulation, Regulation (EU) No 648/2012; |
| EQS | means the European Quoting Service; |
| ESMA | means the European Securities and Markets Authority; |
| European Economic Area | means the European Economic Area consisting of the Member States of the European Union and Iceland, Norway and Liechtenstein; |
| Eurozone | means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended. |
| ETCs | means exchange traded commodities; |

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| ETFs | means exchange traded funds; |
| ETFplus | means Borsa Italiana’s funds market ETFplus; |
| ETNs | means exchange traded notes; |
| EURIBOR | means Euro Interbank Offered Rate; |
| Euroclear | means Euroclear Bank SA/NV; |
| EuroMTS | means a segment of the MTS cash market, which includes the most liquid Euro benchmark fixed income products; |
| European Commission | means the Commission of the EU, originally constituted under Article 4 of the Treaty establishing the European Economic Community, signed in Rome on 25 March 1957; |
| European Parliament | means the Parliament of the European Union, originally constituted under Article 4 of the Treaty establishing the European Economic Community, signed in Rome on 25 March 1957; |
| EU | means the European Union; |
| Events of Default | has the meaning given to it in Condition 10; |
| Exactpro | means Exactpro Systems, LLC; |
| Exchange Date | has the meaning given to it in the “ <i>Form of the Notes</i> ” section of this Offering Memorandum; |
| Exchange Event | has the meaning given to it in the “ <i>Form of the Notes</i> ” section of this Offering Memorandum; |
| Expert | has the meaning given to it in Condition 5; |
| FATCA | means the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act; |
| FCA | means the United Kingdom Financial Conduct Authority or its successor; |
| FHC | means a financial holding company; |
| Final Terms | has the meaning given to it in the Conditions; |
| Financial Adviser | means an independent financial institution of international repute appointed by the Issuer; |
| Financial Instruments and Exchange Act | means the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948), as amended; |
| Financial Times | means the English language daily newspaper published and owned by Nikkei Inc. |
| Fitch | means Fitch Ratings Ltd., or its successor; |
| Fixed Day Count Fraction | has the meaning given to it in Condition 4; |
| Fixed Interest Period | has the meaning given to it in Condition 4; |
| Floating Day Count Fraction | has the meaning given to it in Condition 4; |
| ForexClear | means LCH’s clearing service for clearing OTC FX trades; |
| FSCS | means the Financial Services Compensation Scheme; |

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| FSMA | means the Financial Services and Markets Act 2000; |
| FTSE | means FTSE International Limited; |
| FTSE 100 | means the benchmark index calculated by FTSE comprising of the 100 most highly capitalised UK-domiciled blue chip companies; |
| FTSE 250 | means the index calculated by FTSE comprising of 250 largest mid-capitalised companies not covered by the FTSE 100; |
| FTSE MIB | means the index calculated by FTSE which measures the performance of 40 Italian equities and seeks to replicate the broad sector weights from the stocks trading on the Borsa Italiana main equity market. Analysed by size and liquidity, the index has appropriate sector representation; |
| FTSE Group | means the independent organisation jointly owned by the Financial Times and the London Stock Exchange, which creates and manages indices of shares; |
| FTSE Russell | means the Group's FTSE Russell business; |
| FTSE Small Cap Index | means the index calculated by FTSE comprising of companies outside of the FTSE 100 and FTSE 250 indices; |
| FTT | means the Financial Transaction Tax; |
| FX | means foreign exchange; |
| Gross Redemption Yield | has the meaning given to it in Condition 7; |
| Group | means the Issuer and its consolidated subsidiaries taken as a whole; |
| HMRC | means Her Majesty's Revenue and Customs; |
| ICSD | means Euroclear and Clearstream, Luxembourg; |
| IDEM | means the Italian Derivatives Exchange Market; |
| IDEX | means Borsa Italiana's derivatives market for power futures; |
| IMD | means Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation; |
| Indexation Adviser | has the meaning given to it in Condition 5; |
| Index or Index Figure | has the meaning given to it in Condition 5; |
| Index Ratio | has the meaning given to it in Condition 5; |
| Interest Amount | has the meaning given to it in Condition 4; |
| Interest Payment Date | has the meaning given to it in Condition 4; |
| investment grade rating | has the meaning given to it in Condition 7; |
| Investor | means a person offered the Notes; |
| Investor's Currency | means currency or currency units of an investor's financial activities; |
| Investor Put | has the meaning given to it in Condition 7; |
| IOB | means International Order Book; |
| IOSCO | means International Organisation of Securities Commissions; |

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| IOSCO Principles | means the set of benchmark regulatory principals for universal adoption established by the IOSCO; |
| ISDA | means the International Swaps and Derivatives Association; |
| ISDA Definitions | means the market standard definitions published by ISDA; |
| ISDA Rate | has the meaning given to it in Condition 4; |
| ISIN | means International Securities Identification Number; |
| Issuer | means LSEG; |
| Issuer Call | has the meaning given to it in Condition 7; |
| LCH | means LCH Group Holdings Limited, a company incorporated in England and Wales; |
| LCH Group | means LCH and its subsidiaries; |
| LIBOR | means London Interbank Offered Rate; |
| Listing Rules | means the rules and regulations made by the FCA in its capacity as the UK Listing Authority under the FSMA and contained in the UKLA's publication of the same name; |
| London Business Day | has the meaning give to it in Condition 4; |
| London Stock Exchange | means London Stock Exchange plc, a subsidiary of LSEG; |
| Long Maturity Note | has the meaning give to it in Condition 6; |
| LSEG | means London Stock Exchange Group plc, a company incorporated in England and Wales (registered number 05369106) whose registered office is at 10 Paternoster Square, London, EC4M 7LS; |
| LSEG Board | means the board of the LSEG Directors; |
| Main Market | means the market for companies which have been admitted to trading on London Stock Exchange's principal market; |
| Member State | means a member state of the European Union; |
| MiFID II | means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended) and amending Directive 2002/92/EC and Directive 2011/61/EU (recast); |
| MiFIR | means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; |
| Millennium Exchange | means the multi-asset trading platform, deployed for the UK, Italian and Turquoise equities markets; |
| Millennium IT | means Millennium Information Technologies Limited, a subsidiary of LSEG, that is the developer of flexible, low cost, high performance trading platforms and financial markets software, serving both the Group's own businesses and third parties; |
| MIV | means the electronic market for investment vehicles for highly specialised investment entities operated by Borsa Italiana; |
| Monte Titoli | means Monte Titoli S.p.A., a subsidiary of LSEG, the Group's Italian |

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| | Central Securities Depository and settlement provider; |
| Moody's | means Moody's Investors Service Limited, or its successor; |
| MOT | means <i>Mercato Obbligazionario Telematico</i> , the Group's Italian retail bond trading platform; |
| MTA | means <i>Mercato Telematico Azionario</i> , Borsa Italiana's electronic markets on which shares, convertible bonds, warrants and option rights are traded; |
| MTA International | means the market segment of MTA dedicated to the trading of shares in non-Italian issuers already issued in other EU regulated markets; |
| MTFs | means multilateral trading facilities; |
| MTS | means Società per il Mercato dei Titoli di Stato S.p.A., a subsidiary of LSEG and the owner and operator of an electronic trading platform for European fixed income securities; |
| Negative Rating Event | has the meaning given to it in Condition 7; |
| NGN | means a new global note; |
| non-investment grade rating | has the meaning given to it in Condition 7; |
| Notes | means the notes issued by the Issuer under the Programme from time to time; |
| Noteholders | means holders of the Notes; |
| Notice Period | has the meaning give to it in Condition 7. |
| Offer Period | has the meaning given to it in the applicable Final Terms; |
| Offering Circular | means this document issued by the Issuer in respect of the Programme, together with any supplements or amendments thereto; |
| Official List | means the official list of the UK Listing Authority; |
| ORB | means London Stock Exchange's electronic order book for retail bonds; |
| OTC | means over-the-counter; |
| OTF | means organised trading facility; |
| participating Member States | means in respect of the Commission's Proposal regarding a common FTT, Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia; |
| passport | means a certificate of approval in accordance with Article 18 of the Prospective Directive; |
| Paying Agent | has the meaning given to it in the Conditions; |
| Payment Day | has the meaning given to it in Condition 6; |
| PRIIPs Regulation | means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs); |
| Programme | means the £2,500,000,000 Euro Medium Term Note Programme of |

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| | the Issuer; |
| Professional Securities Market | means a market for debt securities or depositary receipts of any denomination upon production of a prospectus targeting wholesale or professional investors, operated by the London Stock Exchange; |
| Prospectus Directive | means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in the Relevant Member State; |
| Prospectus Rules | means the Prospectus Rules made under section 73A of the FSMA; |
| Public Offer | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| Public Offer Jurisdiction | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| Put Event Notice | has the meaning given to it in Condition 7; |
| Put Notice | has the meaning given to it in Condition 7; |
| Put Option | has the meaning given to it in Condition 7; |
| Put Period | has the meaning given to it in Condition 7; |
| Rate of Interest | has the meaning given to it in the applicable Final Terms; |
| Rating Agency | has the meaning given to it in Condition 7; |
| Recognised Clearing House | means a clearing house in relation to which a recognition order is in force pursuant to section 285 of the FSMA; |
| Redeemed Notes | has the meaning given to it in Condition 7; |
| Redemption Margin | has the meaning given to it in Condition 7; |
| Reference Banks | has the meaning given to it in Condition 4; |
| Reference Bonds | has the meaning given to it in Condition 7; |
| Reference Bond Rate | has the meaning given to it in Condition 7; |
| Reference Date | has the meaning given to it in Condition 7; |
| Reference Dealer | has the meaning given to it in Condition 7; |
| Reference Gilt | has the meaning given to it in Condition 5; |
| REIC | means real estate investment companies which are property funds that comply with specific Borsa Italiana listing rules; |
| Relevant Announcement Date | has the meaning given to it in Condition 7; |
| Relevant Clearing Systems | means Euroclear and/or Clearstream, Luxembourg; |
| Relevant Date | has the meaning given to it in Condition 8; |
| Relevant Implementation Date | means the date from which the Prospectus Directive has been implemented in the Relevant Member State; |
| Relevant Indebtedness | has the meaning given to it in Condition 3; |
| relevant month | has the meaning given to it in Condition 5; |
| Relevant Member State | each Member State which has implemented the Prospectus Directive; |

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| Relevant Person | has the meaning given to it in Condition 7; |
| Relevant Potential Change of Control Announcement | has the meaning given to it in Condition 7; |
| Relevant Screen Page | has the meaning given to it in Condition 4; |
| RNS | means the London Stock Exchange’s regulatory news and non-regulatory news disclosure service; |
| RPI | means the UK Retail Prices Index, which measures inflation in the UK economy; |
| RPI-Linked Notes | means Notes issued on terms whereby the amount of interest payable on each interest payment date and/or the amount to be repaid upon redemption of the Notes will be calculated by reference to movements in the UK Retail Prices Index during a reference period; |
| Rules | has the meaning given to it in the “ <i>Important Information Relating to Public Offers of Notes</i> ” section of the Offering Circular; |
| S&P | means Standard and Poor’s Rating Services, a division of McGraw-Hill International (UK) Limited, or its successor; |
| SEAQ | means the London Stock Exchange’s non-electronically executable quotation service; |
| Securities Act | means the United States Securities Act of 1933; |
| Security Interest | has the meaning given to it in Condition 3; |
| SeDeX | means Borsa Italiana’s electronic regulated market for securitised derivatives; |
| SEDOL | means the Group’s global, multi-asset class reference data service; |
| SEDOL codes | means SEDOL’s unique identification codes for global equity, derivatives and fixed income securities; |
| SEDOL Masterfile | means the Group’s expanding securities identification services; |
| Selection Date | has the meaning given to it in Condition 7; |
| Series | means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices; |
| SETS | means the electronic order book operated by the London Stock Exchange for the most liquid securities; |
| SETSqx | means the hybrid market for less liquid securities, combining continuous price formation from market makers with periodic auctions operated by the London Stock Exchange; |
| Sharia law | means the body of law derived from the Qur’an and the teachings and traditions of Prophet Mohammed; |
| SMEs | means small and medium-sized enterprises; |
| Specified Currency | has the meaning given to it in Condition 1; |
| Specified Denomination | has the meaning given to it in Condition 1; |

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| Specified Time | has the meaning given to it in Condition 7; |
| SRM | means the single resolution mechanism; |
| SSM | means the single supervisory mechanism; |
| Stabilising Manager(s) | means one or more relevant Dealers (or persons acting on behalf of any Stabilising Manager(s)) who may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail; |
| Subsidiary | means a subsidiary as defined by section 1159 of the Companies Act 2006; |
| Substitute Rating Agency | has the meaning given to it in Condition 7; |
| sub-unit | has the meaning given to it in Condition 4; |
| Sukuk Instruments | means a security which provides a similar investment profile to a conventional debt security but which does not have a coupon structure in order to conform with Sharia law; |
| SwapClear | means the clearing service that LCH provides for clearing OTC interest rate swaps; |
| Talons | has the meaning given to it in Conditions; |
| TARGET2-Securities/T2S | means the European Central Bank's project to deliver a single central settlement process for securities belonging to Eurozone and other participating countries; |
| Tranche | means Notes which are identical in all respects (including as to listing and admission to trading); |
| Trust Deed | means the Trust Deed dated 25 August 2017 as modified and/or supplemented and/or restated from time to time; |
| Trustee | means HSBC Corporate Trustee Company (UK) Limited which expression shall include any successor trustee; |
| Turquoise | means Turquoise Global Holdings Limited, a subsidiary of LSEG; |
| UK Corporate Governance Code | means the UK Corporate Governance Code published by the UK Financial Reporting Council; |
| UK or United Kingdom | means the United Kingdom of Great Britain and Northern Ireland; |
| UK Listing Authority/UKLA | means the FCA acting in its capacity as a competent authority for the purpose of part VI of the FSMA; |
| Underlying Notes | means the relevant Notes underlying a CDIs; |
| URLs | means uniform resource locators; |
| U.S., US or United States | means the United States of America; |
| Written Resolutions | has the meaning given to it in Condition 16; |
| 2009 Act | means the Banking Act 2009. |

All references to legislation in this document are to the legislation of England and Wales, unless the contrary is indicated. Any reference to any provision of any legislation should include any amendment, modification, re-enactment or extension thereof.

The singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

Unless otherwise indicated, all references in this document to “**sterling**”, “**pounds sterling**”, “**GBP**”, “**£**”, “**pence**”, or “**p**” are to the lawful currency of the United Kingdom; references to “**euro**” or “**€**” are to the official currency of the Eurozone; and references to “**US dollars**”, “**USD**” or “**\$**” are to the lawful currency of the United States.

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