

## OFFERING CIRCULAR



### Aroundtown SA

*(a public limited liability company (société anonyme) established under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés) under number B217868)*

**€2,600,000,000**

### Euro Medium Term Note Programme

Under this €2,600,000,000 Euro Medium Term Note Programme (the **Programme**), Aroundtown SA (the **Issuer**, and together with its consolidated subsidiaries, **Aroundtown** and together with its investees, including associates over which the Issuer has significant influence as defined in IAS 28 and that are not subsidiaries, in particular Grand City Properties S.A. (**GCP**), the **Group**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,600,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this offering circular (the **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 subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".**

This Offering Circular supersedes and replaces in its entirety the Offering Circular dated 10 March 2017.

This Offering Circular has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive (as defined under "Important Information" below). The Central Bank of Ireland only approves this Offering Circular as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. Such approval relates only to Notes that are to be admitted to trading on the regulated market of the Irish Stock Exchange (the **Main Securities Market**) or on another regulated market for the purposes of Directive 2004/39/EC and/or that are to be offered to the public in any member state of the European Economic Area in circumstances that require the publication of a prospectus.

Application has been made to the Irish Stock Exchange plc (**Irish Stock Exchange**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to its official list (the **Official List**) and trading on the Main Securities Market. References in this Offering Circular to the Notes being **listed** (and all related references) shall mean that the Notes have been admitted to the Official List and trading on the Main Securities Market.

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the **EEA**) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive. References in this Offering Circular to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Directive. The Central Bank of Ireland has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and, where listed, the Irish Stock Exchange.

Copies of Final Terms in relation to Notes to be listed on the Irish Stock Exchange will also be published on the website of the Central Bank of Ireland. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated BBB by Standard & Poor's Credit Market Services Europe Limited (**S&P**). S&P is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by the rating agency referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned (if any) to the Programme by the relevant rating agency. 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.

#### **Arranger**

**MORGAN STANLEY**

#### **Dealers**

**CITIGROUP  
J.P. MORGAN**

**GOLDMAN SACHS INTERNATIONAL  
MORGAN STANLEY**

**UBS INVESTMENT BANK**

The date of this Offering Circular is 6 October 2017

## **IMPORTANT INFORMATION**

**This Offering Circular comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Offering Circular, Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA.**

**The Issuer accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge 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.**

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

**Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.**

**No person is or has been authorised by the Issuer or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, or any of the Dealers or the Trustee.**

**Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, or any of the Dealers 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 or invitation by or on behalf of the Issuer, or any of the Dealers 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 in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers 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 Notes issued under the Programme of any information coming to their attention.**

## IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes, from the date of application of Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**), are not intended to be offered, sold or otherwise made available to and, with effect from such date, 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 (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**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 Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by 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.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

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 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, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction 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. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, Japan, the EEA (including the United Kingdom) and Israel, see "*Subscription and Sale*".

This Offering Circular has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**) must be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for 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, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any 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.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to the Issuer has been derived from (i) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2015 and 31 December 2016 and (ii) the unaudited consolidated financial statements of the Issuer for the 6 months ended 30 June 2017 (together, the **Financial Statements**).

The Issuer's financial year ends on 31 December, and references in this Offering Circular to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board, as adopted by the European Union.

All information in this Offering Circular relating to GCP has been taken from information made publicly available by GCP.

### Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

#### In this Offering Circular, all references to:

- *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars;
- *Sterling* and *£* refer to pounds sterling;
- *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;
- *yen* and *¥* refer to Japanese yen; and
- a **billion** are to a thousand million.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## SUITABILITY OF INVESTMENT

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 or any applicable supplement;
- (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 with principal or interest payable in one or more currencies, or 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 investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) 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.

### **STABILISATION**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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 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 Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes, and if appropriate, a new Offering Circular or a supplement to the Offering Circular, will be published.*

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC (the **Prospectus Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer: Aroundtown SA

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. . In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under "*Risk Factors*".

Description: Euro Medium Term Note Programme

Arranger: Morgan Stanley & Co. International plc

Dealers: Citigroup Global Markets Limited  
Goldman Sachs International  
J.P. Morgan Securities plc  
Morgan Stanley & Co. International plc  
UBS Limited

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits



contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Issuing and Principal Paying Agent:	The Bank of New York Mellon
Programme Size:	Up to €2,600,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in euro, Sterling, U.S. dollars, yen and any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in either bearer or registered form as described in " <i>Form of the Notes</i> ". Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"><li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or</li><li>(b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).</li></ul>

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes may be offered and will not bear interest and may be sold at a discount to their nominal amount.

Exempt Notes:

The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

***Index Linked Notes:*** Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

***Dual Currency Notes:*** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

***Partly Paid Notes:*** The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

***Notes redeemable in instalments:*** The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

The Issuer may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption:

The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the

Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Calculation Amount:

The Calculation Amount for any Series of Notes will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) and will be the single highest whole number which, when each Specified Denomination of the relevant Series is divided by such number, results in a whole number. For example, where the Specified Denominations of a Series of Notes are specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) as being €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, the Calculation Amount specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will be €1,000.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Cross Default:

The terms of the Notes will contain a cross default provision as further described in Condition 10

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Rating:	Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the ratings assigned to the Programme (if any). 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.
Listing:	<p>Application has been made for Notes issued under the Programme to be listed on the Irish Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. The provisions of articles 86 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, Japan, the EEA (including the United Kingdom), Japan and Israel and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see " <i>Subscription and Sale</i> ".
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect their businesses and ability to make payments due.*

*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.*

*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.*

### FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES ISSUED UNDER THE PROGRAMME

#### *Risks Relating to the Real Estate Market*

*The Group's performance is dependent on demographic, economic, political and market developments primarily in Germany, as well as in the Netherlands and the other areas where the properties in the Group Portfolio are located.*

The Issuer is a specialist real estate investment company, with a focus on value-add income generating properties primarily in Germany, the Netherlands and other real estate markets. As of June 2017, including signed deals, the Issuer directly or indirectly held commercial real estate with a fair market value of approximately €7.8 billion, consisting primarily of office, hotel, retail, logistics/wholesale and other types of commercial real estate (the **Commercial Portfolio**). The Issuer's residential property portfolio consists of its indirect interest in the residential property portfolio of Grand City Properties S.A. (**GCP**) based on the Issuer's 36% interest in GCP (the **Residential Portfolio**, and together with the Commercial Portfolio, the **Group Portfolio**). GCP is a publicly traded specialist real estate company that focuses on investing in the German residential real estate market. As of 30 June 2017, GCP's total assets were approximately €6.7 billion, its loan-to-value ratio was approximately 35% and its total equity was approximately €3.4 billion.

The Residential Portfolio is not consolidated in the Issuer's consolidated financial statements, and the Issuer's interest in GCP is presented as investment in an equity-accounted investee. For the six months ended 30 June 2017, the Issuer recorded approximately €76.7 million as share in profit from investments in equity-accounted investees and had an operating profit of approximately €990.9 million. For more information, see "*Financial Risks—The Issuer's cash flow requirements and possible future interest payments are dependent on the profitability of the Group or must be met with borrowed funds or by selling property.*"

The Issuer's performance depends on the performance of the Group Portfolio, which in turn depends on the performance of the real estate markets in Germany, the Netherlands and the other areas where the properties that are included in the Group Portfolio are located (collectively, the **Portfolio Regions**). Because the performance of real estate markets is driven by changes in the overall economy, the Group's performance is affected not only by factors that impact the commercial and residential real estate markets, but also by factors that impact the economy more generally, such as interest rates, levels of public debt, GDP growth and inflation rates. Real estate markets tend to fluctuate, with asset values and rents reflecting both positive and negative developments. Demographic, economic, political and market factors may have an impact on the performance of the Group Portfolio, and economic developments in and related to the real estate markets in

the Portfolio Regions and their individual submarkets may significantly impact the Group's business and future prospects. These developments play an important role in determining property values, rent levels, re-letting periods, overall demand, vacancy rates and turnover rates, and may vary significantly across the Portfolio Regions. Although the Group Portfolio is located primarily in Germany and the Netherlands, the Group Portfolio is more concentrated in certain regions of those countries, such as Berlin, Munich, North Rhine Westphalia, Dresden, Leipzig, Halle, Hamburg, Frankfurt and Hannover in Germany, and Amsterdam, Rotterdam and Utrecht in the Netherlands. Thus, the performance of the Issuer and the Group depends not only on general economic and demographic developments in Germany and the Netherlands, but also on the particular circumstances in the Portfolio Regions.

The market for commercial real estate, and the performance of the Commercial Portfolio, depends on economic and demographic developments in Germany, the Netherlands and the other Portfolio Regions. Factors such as changes in disposable income or industrial activity, the availability of credit financing, interest rates, taxation policies, economic growth, population growth, unemployment rates, consumer confidence and other factors may all impact the level of demand for commercial real estate. A decline in population levels, particularly among younger segments of the working population, or a decline in purchasing power or higher unemployment rates could reduce the demand for office, hotel, retail and other commercial properties. Declines in economic and population growth rates in the Portfolio Regions could lead to lower demand for residential real estate as well as to lower demand for commercial property, and, as a result, may adversely affect the Group's ability to achieve or maintain its desired occupancy rates, rent levels and weighted average lease terms (**WALTs**). Local economic developments, such as employment conditions or significant income or liquidity problems for tenants in these areas, may also lead to reduced rental income and increased vacancy or turnover rates. In such circumstances, the Group may not be able to let or re-let properties on attractive terms or at all, or may only be able to do so after making significant additional investments.

In particular, the retail market in the Netherlands has been greatly affected by the global economic crisis of 2008 and 2009, as well as its aftermath, which has resulted in several bankruptcies of large Dutch retail chains such as Scheer & Foppen, Dolcis, Scapino and V&D. The ongoing growth in sales of goods and services over the Internet has also placed increasing pressure on Dutch retailers and consequently on demand for, and the performance of, Dutch retail real estate.

The performance of the Group's Commercial Portfolio also depends on the demand for hotel rooms in the Portfolio Regions where its hotel properties are located. The Group's hotel properties are located in diverse regions in Germany, such as Berlin, Munich, Hamburg, Frankfurt, Dresden, Düsseldorf, Mannheim and Leipzig. The Group's hotel properties are operated primarily by third party commercial tenants, the majority of which have entered into long-term fixed rent lease agreements with the Group. The Group's ability to attract and retain solvent and reliable tenants for its hotel properties depends on the broader development of the hotel market. The profitability of hotels generally, and hence the attractiveness of the Group's hotel properties for tenants, may be adversely affected by a number of factors, including the availability of and demand for hotel rooms in the regional markets, the desirability of particular locations and changes in travel patterns for commercial or leisure travel, or the impact of war, actual or threatened terrorist activity and heightened travel security measures instituted in response. Profit margins in the hotel industry may decline due to increases in the cost of raw materials, limiting the attractiveness of hotels for tenants. Additional competition in the Portfolio Regions where the Group's hotel properties are located may also reduce profitability for the Group's existing hotel tenants, which may create financial difficulties for such tenants and limit their ability to pay their rents or fulfil other obligations under their leases.

The market for residential real estate, and consequently the performance of the Residential Portfolio, also depends on demographic and other economic developments in Germany. Certain studies have forecast that demographic change in Germany, including a declining and aging population, may cause the nationwide demand for accommodation to fall in the long term. In structurally weak and rural areas, high population losses have already led to an oversupply of housing, and increasing population losses in these areas may result in decreased demand for residential real estate. Changes in other macroeconomic factors, such as gross

domestic product (GDP), unemployment rates, purchasing power and average household sizes across Germany may also impact the demand for residential real estate. Changes in any of these factors may impact the performance of the Residential Portfolio.

The value of the Issuer's stake in the GCP and the performance of the Residential Portfolio may also be affected by the development of GCP's business. Although the Issuer holds, as of the date of this Prospectus, a 36% stake in GCP, the Issuer is not a majority shareholder in GCP. For more information, see "*Risks Related to the Business of the Group—The Issuer is not a majority shareholder in GCP, and the shareholders of GCP may take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives. GCP's business is subject to a number of risks, and GCP may not manage or develop its business properly.*" There is no guarantee that positive developments in the residential real estate market in Germany will be reflected in the value of the Issuer's stake in GCP and/or in the performance of the Residential Portfolio, and negative developments in the residential real estate market in Germany may have a disproportionate effect on the value of the Issuer's stake in GCP, which may result in the Issuer recording a significant loss to reflect the lower fair value of its investment in GCP, and/or on the performance of the Residential Portfolio.

Changes in demographic, economic, political and market factors are often impossible to predict. Although the Group takes steps to limit the effect of expected economic, demographic, political and market developments on the Group Portfolio, there is no guarantee that the Group will be able to successfully predict or adapt to developments in the Portfolio Regions, such as, for example, the ultimate outcome or impact of the "Brexit" referendum or the on-going discussions regarding the reunification of Cyprus.

The occurrence of any of these risks or any misjudgement, miscalculation, failure or inability of the Group to react to such risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The withdrawal of the United Kingdom from the European Union may cause significant political and economic uncertainty in the European Union, potentially limiting access to debt and equity financing for the Group and resulting in defaults by the Group's counterparties.***

On 23 June 2016, voters in the United Kingdom voted in a referendum in favour of the United Kingdom leaving the European Union, a decision known as "Brexit". The government of the United Kingdom implemented the referendum decision by formally notifying the European Council on 29 March 2017 of the United Kingdom's intention to withdraw from the European Union in accordance with Article 50(2) of the Treaty on European Union. While Article 50(3) provides for a two-year period during which any Member State that has decided to withdraw from the European Union can negotiate its future relationship with the European Union, such period could be extended beyond two years by mutual agreement. Because no major member of the European Union has previously chosen to leave the European Union, the legal and political process for doing so is untried and uncertain.

The outcome of the negotiations regarding the withdrawal of the United Kingdom from the European Union is unpredictable. Among other consequences, departure from the European Union may result in the United Kingdom no longer having access to the European Single Market. A withdrawal from the European Single Market is expected to have significant negative impact on the economy of the United Kingdom. If the United Kingdom does not have access to the European Single Market, the Member States of the European Union will face greater barriers to trade and commerce with the United Kingdom, which may in turn diminish overall economic activity between the European Union and the United Kingdom, resulting in a general economic downturn throughout the United Kingdom, the European Union or both. The Brexit referendum may also give rise to or strengthen tensions in other Member States regarding their membership in the European Union, potentially resulting in additional referendums or other actions in Member States regarding withdrawal from the European Union. The withdrawal of other Member States from the European Union would have unpredictable consequences and may have adverse effects on levels of economic activity in the countries in which the Issuer operates.

The uncertainty around the timing of Brexit, its economic and other terms is likely in the future to cause volatility in the financial markets. As the Group relies on access to the financial markets in order to refinance its debt liabilities and gain access to new financing, ongoing political uncertainty and any worsening of the economic environment may reduce its ability to refinance its existing and future liabilities or gain access to new financing, in each case on favourable terms or at all. Furthermore, the Group's counterparties, in particular its hedging counterparties, may not be able to fulfil their obligations under their respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons.

The occurrence of any of these risks may have a material adverse effect of the Group's business, net assets, financial condition, cash flow, results of operations, net profits and prospects.

***Continuing uncertainty regarding the development of the global economy may result in economic instability, limited access to debt and equity financing and possible defaults by the Group's counterparties.***

The global financial crisis of 2008 and 2009 resulted in a severe global economic downturn characterised by economic and political uncertainty, tensions in financial and capital markets and greatly weakened consumer confidence and levels of consumption. This downturn adversely impacted economic development worldwide, and its effects continue to generate uncertainty regarding the development of the global economy. The global economic crisis resulted in ongoing sovereign debt and financial deficit crises in many parts of the world, particularly in the Eurozone, resulting in recessions and slowed economic development from which some Eurozone countries are only now beginning to recover. Public debt and unemployment levels remain high in many countries in the Eurozone, such as Ireland, Spain, Greece and Portugal, and future economic growth in the Eurozone is threatened by the fragile state of economic recovery in many Eurozone countries.

The troubled macroeconomic environment also gave rise to ongoing economic and political instability, including the possibility of a breakup of the Eurozone. The European and global economies may also be impacted by the outcome of the referendum in the United Kingdom in favour of a withdrawal from the European Union (see "*The withdrawal of the United Kingdom from the European Union may cause significant political and economic uncertainty in the European Union, potentially limiting access to debt and equity financing for the Group and resulting in defaults by the Group's counterparties.*"), the current severe geopolitical crises in the Middle East as well as in the Ukraine, the uncertain economic prospects in China and other parts of the world, the results of upcoming elections in a number of Eurozone countries (including in France, Germany and the Netherlands), the possibility of increased barriers to trade or "trade wars" in or with other countries or regions and other factors, such as the fluctuation of raw material prices and currency fluctuations. Such instability and the resulting market volatility may also create contagion risks for economically strong countries such as Germany and may spread to the German or other Eurozone financial sectors and the German, Dutch and other Eurozone commercial and residential real estate markets.

The Group relies on access to the financial markets in order to refinance its debt liabilities and gain access to new financing. Any worsening of the economic environment or the financial markets may reduce the Group's ability to refinance its existing or future liabilities or gain access to new financing, in each case on favourable terms or at all. Furthermore, the Group's counterparties, in particular its hedging counterparties, may not be able to fulfil their obligations under the respective agreements due to a lack of liquidity, operational failure, bankruptcy or for other reasons.

The occurrence of any of these risks may have a material adverse effect of the Group's business, net assets, financial condition, cash flow and results of operations.

***The business of the Group, the Group Portfolio and the real estate markets in Germany, the Netherlands and the other Portfolio Regions are affected by changes in general economic and business conditions. The current economic situation is characterised by low interest rates, high valuations and an increased demand for investments in real estate. A rise in interest rates could have a material adverse effect on real estate markets, the valuation of the Group Portfolio and on the business of the Group.***



The global financial and economic crisis of 2008 and 2009 and the resulting slow global economic recovery have resulted in increased uncertainty regarding future economic developments. This uncertainty regarding the general economic outlook has made investment opportunities that provide stable and largely predictable cash flows more popular, such as investments in German and other real estate. This trend has been reinforced by the low interest rate environment in Europe. As a result, property valuations, demand for investments in real estate and the value of real estate companies have generally increased. These developments could reverse if, for example, interest rates were to rise, as observed in some parts of the world. An increase in interest rates could be driven by economic conditions, resulting in increased investor interest in investments with a higher risk profile and a decrease in interest in real estate investments, and a potential reduction in real estate valuations.

An increase in interest rates could adversely impact the Group's business in a number of ways. Although the Group's current debt structure primarily involves debt at fixed interest rates or, where variable interest rates apply, is predominantly subject to interest rate hedging agreements, a future increase in interest rates may have a negative impact on the Group. In general, rising interest rates (or market expectations regarding future increases in interest rates) would make financing needed by the Group for its acquisition, capital expenditure (**capex**) and/or other real estate activities more expensive. Similarly, the willingness of purchasers to acquire real estate in such situations may be negatively affected, thereby restricting the Group's ability to dispose of its properties on favourable terms when desired. Rising interest rates could also impair the future performance of the Group's business, including its acquisitions and sales.

In addition, the discount rate used to calculate the fair value of the Group Portfolio tends to increase in an environment of rising interest rates, which in turn could result in the Group Portfolio having a lower fair value, resulting in significant losses for the Group. Rising interest rates and economic recovery could also prompt investors to prefer investments which potentially have a higher yield than investments in real estate, which could lead to a general decrease in the value of real estate, thereby having a negative impact on the valuation of the Group Portfolio and potential disposals of assets from the Group Portfolio. For more information, see "*Valuation Risks*".

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash-flows, financial condition, results of operations, net profits and prospects of the Group.

***The future growth of the Group depends on the availability of real estate properties with value-add potential at reasonable prices. The real estate markets in the Portfolio Regions are competitive, and competition may increase in the future.***

The Group seeks to acquire properties which the Group believes have value-add potential, and the future growth of the Group depends on the availability of such properties for purchase at attractive prices. Given the current high demand for real estate in Germany and the other Portfolio Regions, such properties or portfolios of such properties may be unavailable or available only on unfavourable terms or at unattractive prices. While Aroundtown is focused on acquisitions of commercial properties, in particular office, hotel, logistics/wholesale and retail properties, many of the commercial properties available on the market may not fit Aroundtown's investment criteria. Similar difficulties are also present in the residential real estate markets, including opportunities in the German residential real estate market for GCP. In addition, a number of factors beyond the Group's control, such as the overall development of real estate markets, construction activity, zoning and planning laws and competition in its target markets, influence the availability of office, hotel, retail, logistics/wholesale and residential properties generally. There is no guarantee that the Group will be able to continue to identify or acquire a sufficient number of suitable properties at reasonable prices that will allow it to successfully implement its business strategy or grow its business effectively.

The supply of real estate portfolios available for sale may also be reduced due to fewer sales by private or public sellers. If public and/or private entities reduce or cease privatising or selling their real estate holdings, supply, in particular for residential real estate, could be reduced, which may result in increased competition for acquisitions of suitable properties and may motivate potential sellers to sell properties through an auction

process. The use of auction processes for the sale of properties has grown increasingly common in the Portfolio Regions and may increase in the future. Any of these factors may result in increased prices for the types of properties which are the strategic focus of the Group and/or of GCP. As a result, it could be more difficult for the Group and/or of GCP to successfully acquire properties, which could limit their ability to grow their businesses effectively.

The Group is also exposed to competition from local and international investors in all of the Portfolio Regions as well as other markets in which it seeks to operate. The Group competes to acquire attractive properties with other investors, such as international real estate funds, German open-ended and closed-ended funds, publicly listed German real estate companies (such as *Aktiengesellschaft* or *REIT-AG* companies), Dutch real estate companies, pensions funds and other European and international companies, any of which may have greater resources, better information or better access to properties or financing than the Group. The Group also competes with other property companies, investment funds, institutional investors, building contractors, individual owners and other entities to attract and retain suitable tenants on favourable conditions. Competition in the real estate markets in the Portfolio Regions is generally intense and could further intensify in the future. There is no guarantee that the Group will be able to successfully compete in any of the Portfolio Regions or will be able to enter new regions successfully. Changes in law or regulation may also create environments in which the Group can no longer effectively compete.

The occurrence of any of these risks may have a material adverse effect on the future business, cash flows, financial condition and results of operations of the Group.

### ***Risks Relating to the Business of the Group***

#### ***The Group may not succeed in improving or adding value to its properties, such as increasing occupancy rates, rent levels and/or weighted average lease terms.***

The Group focuses on acquiring properties which it believes have upside potential, primarily through operational improvements such as increased occupancy rates, rent levels and/or WALTs. The success of the Group depends significantly on the Group's ability to improve and add value to the properties that it acquires, primarily by reducing vacancy rates and operating costs while increasing rent levels and WALTs.

The Group's ability to increase its rental income and WALTs from new and existing tenants and to reduce vacancy rates depends on many factors, including, in particular, the demand for its properties, local market rents, the condition and location of its properties, required capex, refurbishment and modernisation measures and tenant turnover rates. Even if increased capex, refurbishment or maintenance measures would merit increases in rents as a commercial matter, the Group's ability to increase rents is subject to certain limitations, including competition within the Portfolio Regions. Rent levels for properties in the Group Portfolio are also subject to the restrictions of relevant tenancy and other laws, as well as in certain cases contractual restrictions under purchase or financing arrangements in connection with the property, specific terms agreed with tenants under their leases, or conditions imposed as a consequence of having received government funding or public subsidies.

As a consequence, the Group might not be able to reduce vacancy rates and increase rental income and WALTs in a manner or to the extent that it expects, might be required to engage in excessive capex, and might experience increasing vacancy rates in its properties. The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits or prospects of the Group.

#### ***The geographic composition of the Group Portfolio might change in the future due to further acquisitions or divestures.***

The Group follows an opportunistic approach to acquisitions and focuses on real estate property which it believes has upside potential. As a result, the Group continuously seeks investment opportunities throughout

the Portfolio Regions and in other markets that it believes might meet its investment strategy. Consequently, the geographical composition of the Group Portfolio may change, either as a result of new acquisitions or as a result of divestitures of properties by the Issuer or other members of the Group. A change in the geographical composition of the Group Portfolio may lead to increased concentration in certain geographical areas, or introduce dependencies on regional market conditions in new or different geographical areas, which may have different fundamentals, trends or legal, regulatory and tax regimes than the current Portfolio Regions. A broader geographical distribution of the Group Portfolio may also result in additional costs in connection with the management of its properties and reduce the benefits of economies of scale. A different geographical distribution of the Group Portfolio may also result in reduced availability of market data, which could limit the Group's ability to predict the performance of its investments.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The performance of the Group Portfolio is exposed to concentration risks and other negative developments which could affect demand for the properties in the Group Portfolio or have significant impacts on key tenants or properties, any of which could have a material adverse effect on the Group's business.***

The Group Portfolio is exposed to concentration risks due to its focus on certain types of real estate asset types, its concentration on certain geographies, and its reliance in the case of certain properties on a limited number of key tenants. The performance of the Group Portfolio may be disproportionately impacted by events or market developments occurring in specific Portfolio Regions or by developments that affect certain types of commercial or residential real estate. In the event of developments that impact certain key tenants, the Group may be unable to find suitable replacement tenants at attractive rent levels or at all. Any of these developments may result in increased vacancy rates and decreased rent levels for the Group Portfolio, or have a significant negative effect on the Group Portfolio.

In addition, demand for office, hotel, logistics/wholesale and retail properties is not only affected by the overall development of the commercial real estate market, but also by commercial developments affecting existing and potential tenants for these types of properties. Such developments include an increase in food purchases over the internet and the trend towards smaller, high-quality food retailers for the Group's retail properties, the trend towards working from home offices or from tax friendly headquarters located away from city centers for the Group's office properties and the development of new or increased taxes, such as city tourism and hotel taxes, for the Group's hotel properties. The ongoing increase in sales and retail activity over the Internet has and will likely continue to negatively affect demand for retail real estate. Although the Group takes steps to adapt its properties in response to market developments, there is no guarantee that the Group will be able to successfully predict or adapt to changes that may impact its tenant base or the Group Portfolio.

The occurrence of any of the foregoing risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group may be unable to find or retain suitable tenants on acceptable terms, and existing tenants may be unable to meet their payment obligations.***

The letting of properties is one of the most important aspects of the Group's business. The Group's rental income depends on its ability to let the properties in the Group Portfolio at profitable rent levels and attractive overall terms. Such efforts are influenced by a number of factors, including the remaining term of existing lease agreements, the commercial conditions of current tenants and the attractiveness of properties for new or existing tenants. The Group may be unable to renew expiring lease agreements on acceptable terms or to find suitable tenants willing to enter into new lease agreements. There is also no guarantee that the Group will be able to successfully compete for suitable tenants with other landlords, who may be able to offer more attractive properties, lease terms and/or rent levels. If the Group misjudges the attractiveness or

future attractiveness of the properties in the Group Portfolio or the Portfolio Regions, it may be difficult to find suitable tenants that are willing to rent its properties at the rent levels or for the time periods anticipated by the Group.

Failure to find and retain suitable tenants may prevent the Group from maintaining its current vacancy rate or renting vacant space, or may force the Group to reduce the rent levels it demands from current and future tenants and/or increase rent-free periods for current and future tenants, or require increased investment in tenant improvements. In particular, with respect to the Group's hotel properties, the number of potential tenants is limited, and suitable tenants must have sufficient experience with, and capacity for, operating hotels, as well be eligible to receive the relevant permits in order to operate hotel properties. The Group's ability to find new tenants for its hotel properties depends on many factors, including factors that are beyond its control, such as demand for hotel rooms in the relevant Portfolio Regions, profitability margins on hotels in the relevant Portfolio Regions and the hotel industry generally, and the level of competition in the hotel sector.

In addition, the financial capacity or creditworthiness of the tenants of the properties in the Group Portfolio may deteriorate over time, reducing their ability to make payments under their leases on time or at all. Reductions in tenants' abilities to make payments under their leases may force the Group to reduce rent levels for the relevant properties, resulting in rental income that is significantly lower than originally estimated, while the Group's operating costs might remain largely fixed or even increase. The Group may also be forced to engage in expensive and time-consuming administrative or legal proceedings in order to evict certain tenants, or as the result of insolvency or other restructuring activities undertaken by its tenants, which may result in modifications to the terms of the Group's leases with or without its consent. Although the Group takes steps to verify the financial capacity of its tenants prior to entering into leases with them, the Group cannot predict the financial stability and commercial viability of its tenants going forward.

The occurrence of any of the foregoing risks may have a material adverse effect on the Group's business, net assets, financial conditions, cash flows, results of operations, net profits or prospects.

***Rent indexation clauses in the Group's lease agreements could adversely affect the Group's rental income.***

Some of the Group's lease agreements include clauses providing for full or partial indexation of the applicable rent in line with a reference index, such as the German or Dutch consumer price indexes. Rent levels under these leases will fluctuate based on changes in the reference index, and rental income may decrease. If a lease agreement does not contain an indexation or equivalent adjustment clause, or if such clauses are found to be invalid, the applicable rent may remain constant for the term of the lease agreement, while the Group's costs of maintaining the respective property may increase over time due to inflation. This risk is compounded by the fact that many of the Group's lease agreements provide for long-term leases.

The occurrence of any of these risks may have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits or prospects.

***The loss of rent, reductions in rent, higher vacancy rates and shorter lease terms may have a negative effect on the Group's business, net assets, cash flows, financial condition, results of operations, net profits and prospects.***

The business of the Group strongly depends on the rental income generated by the properties in the Group Portfolio, which is influenced by the rent levels, vacancy rates and WALTs of such properties. Any decrease in demand for commercial or residential real estate (whether due to general economic, demographic, political or market developments or due to conditions in particular regions or at particular properties) may result in a loss of rent, reductions in rent, higher vacancy rates or shorter lease terms, any of which could result in a substantial decline in the overall rental income of the Group. If tenants fail to meet their rent payment obligations in whole or in part (e.g., due to a deterioration of their financial situation or a deterioration of

their business activity or the regions in which they operate), or if large numbers of tenants or certain key tenants terminate their leases, the Group could suffer a substantial decrease in overall rental income. Even if the Group is able to re-let the affected properties, there is no guarantee that it will be able to do so in a timely fashion, on attractive terms or at all.

The Group is also required to maintain its properties in the conditions required by their respective lease agreements, by law and in certain cases according to the provisions of financing or loan agreements. If the required maintenance measures are not performed on time or at all, the rent that the Group is able to charge for the affected properties may be reduced, in some cases substantially.

The occurrence of any these factors may have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

***The Group is exposed to risks related to capex, maintenance, repositioning and repair of properties in the Group Portfolio. The capex, modernisation and repositioning of properties, as well as their ongoing maintenance, may take more time, be more expensive or ultimately be less effective than originally anticipated.***

The Group is required to maintain the properties in the Group Portfolio in good condition, based not only on the requirements of law and its obligations under the relevant lease agreements, but also based on the quality of similar properties in the relevant Portfolio Regions. The Group performs maintenance and repairs, as well as invests capex, in its properties for many reasons, including among others to increase value, to order to avoid loss of value and to maintain demand for its properties. Modernisation, refurbishment and capex for the Group's properties may also be necessary in order to increase their appeal or to meet changing legal requirements, such as provisions relating to modernisation and energy savings and equipping residential units with smoke detectors. In some cases, the amount invested in a property by the Group may be significant. In addition, under a small number of loan agreements, the Group has an obligation to invest a certain amount into specified properties.

The properties in the Group Portfolio may from time to time require investment for targeted modernisation and repositioning. Some of these properties were acquired following periods of mismanagement and may not have received adequate investment from previous owners, resulting in significant modernisation, repositioning, capex and fit-out costs, which could well exceed the costs of general maintenance.

Although the Group takes steps to predict the expenses associated with its properties, there is no guarantee that the Group has predicted, or will correctly predict in the future, the amount of time and money that it must spend on maintenance, repairs, modernization, repositioning, fit-out or capex and development of its properties. These costs may increase substantially as a result of many factors, such as increased costs of materials, increased labour costs, increased energy costs, bad weather conditions, unexpected safety requirements or unforeseen complexities and developments at the building site. The Group may be unable to undertake work on its properties in a timely fashion or at all for many reasons, including lack of a skilled labour force, bad weather conditions or the failure of contractors or subcontractors to adhere to agreed-upon time schedules or continue as going concerns during the course of necessary work. Further, necessary building or other permits may be delayed or denied, or only issued subject to further restrictions or with fewer rights than anticipated by the Group. In addition, the impact of these factors may be more significant for the Group, which invests from time to time in properties that may have experienced periods of mismanagement, than for investors in properties that have been better maintained. In the case of acquired property portfolios, the Group may not be contractually protected against these costs and may not have been able to adequately predict or foresee them prior to the acquisition of the relevant properties.

The Group may selectively choose to engage in development activities if it can identify suitable opportunities. Such developments, which may be long-term in nature, are associated with numerous risks, including cost overruns, which may result in projects become unprofitable, and changes in the economic

environment, which may make it difficult to complete projects on time or realize the returns the Group anticipates upon beginning such projects.

The occurrence of any of these factors may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The growth of the Group depends on its continuing ability to acquire properties with value-add potential. A key factor for the growth of the Group has been its ability to acquire properties via its sourcing network and through transactions in a variety of forms. The Group may fail in its ability to source or acquire suitable properties.***

The Group's business model includes the acquisition of properties with value-add potential. The Group's growth relies on its ability to acquire such properties through its sourcing network, including the contacts of its key personnel. There is no guarantee that the Group's sourcing network will provide it with sufficient opportunities or that the Group will be able to maintain its sourcing network in the future. In addition, the Group's competitors may succeed in gaining access to the same sources of information and/or properties that the Group has relied on in the past, thereby undermining the value of the Group's sourcing network.

The Group acquires properties through transactions in a variety of forms, including without limitation asset-based transactions, share deals and acquisitions of non-performing loans (NPL) in a variety of forms. In the case of acquisitions of properties via NPLs, the Group may be unable to gain access to the underlying property in the time period anticipated by the Group, and may fail to gain access to the property at all, or may only do so at a significantly greater cost than anticipated. As a result, there is no guarantee that the Group will be able to gain access in a timely fashion or at all to the properties it has attempted to obtain by means of NPLs.

The occurrence of any of these risks may have a material adverse effect on the future business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group may be unable to make acquisitions if it is unable to obtain the necessary funds.***

The Group's ability to make future acquisitions may be limited if the Group is unable to obtain necessary funds through additional debt or equity financing, each on acceptable terms. Further, additional debt incurred in connection with future acquisitions could have a significant negative impact on the Group's performance indicators, and could result in higher interest expenses for the Group. If the Group is no longer able to obtain the debt or equity financing it needs to acquire additional property portfolios, or if it is able to do so only on onerous terms, its future business development and competitiveness could be severely constrained. A shortage of financing may prevent the Group from growing.

Since 2014, the Issuer has successfully raised debt and equity financing through the issuance of new shares and the issuance of debt securities, in addition to raising financing through bank loans. There is no guarantee that the Issuer will be able to obtain debt or equity financing as needed or on favourable terms or at levels that would allow it to acquire additional properties in the desired volumes.

The occurrence of any of these factors may have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits and prospects.

***The Group's acquisitions and investments involve risks that may not have been uncovered by prior due diligence or that may have been incorrectly evaluated by the Group.***

Before acquiring a property or portfolio of properties, the Group generally performs a due diligence exercise in order to evaluate the properties and to identify risks connected with the properties. There can be no assurance as to the adequacy or accuracy of information provided during any due diligence exercise or that such information will remain accurate following the conclusion of the due diligence exercise until

acquisition of the relevant properties. In certain situations the Group may enter into transactions with only limited time to conduct due diligence and/or on the basis of limited, missing, inconsistent or incomplete information. Particularly in the case of properties or property portfolios that were mismanaged, have deteriorated or were sold under financial, legal or time pressure, information regarding the properties may be limited, missing, inconsistent or incomplete.

The Group purchases property through transactions in a variety of forms, such as asset purchases, stock purchases and the purchase of NPLs. These types of transactions differ in the amount of information that can be provided to the Group and the time that the Group is given to review it. It is possible that the Group may have overlooked or not received information regarding certain risks, especially where transactions were closed under financial, legal or time pressure. These risks, among others, relate to title and security searches, planning permissions and conditions, building permits, revisions to zoning plans, licences, fire and health and safety certificates and requirements and the compliance with related regulations as well as restrictions in connection with historic preservation laws, subsidised housing or contractual limitations imposed by the seller of the respective property that may relate to investment obligations, limitations as to rent increases or other provisions for extra-statutory tenant protection.

In the case of environmental risks, the Group or the original acquirers, as the case may be, may not have been able to undertake (or obtain results for) inspections and surveys (including labor and time intensive environmental and asbestos investigations and technical surveys) that the Group would otherwise have carried out in the course of comparable acquisitions. In respect of certain properties in the Group's portfolio, only limited investigation or review was undertaken prior to purchase as to the existence of harmful environmental contamination.

Even if supplied with sufficient information, there is no guarantee that the Group will be able to correctly evaluate and predict the impact of the risks and information that it receives. It is possible that damage or quality defects could remain entirely undiscovered or misunderstood, or that the scope of such problems may not be fully apparent in the course of the Group's due diligence exercise, and/or that defects may only become apparent at a later time. In general, sellers exclude liability for hidden defects in properties which they sell, which would prevent a claim for any loss incurred by the Group in connection with the acquisition of such property. Even if liability for hidden defects has not been fully excluded, it is possible that the representations and warranties made by the seller in the course of the sale of the property failed to cover all risks and potential problems.

Accordingly, in the course of acquiring a property portfolio, specific risks might not be or might not have been, recognised or correctly evaluated, which could lead to additional costs and could have a material adverse effect on the proceeds from rental income and sales of the relevant properties.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***There is a risk that the Group may incorrectly appraise the value of acquired properties or property portfolios, real estate companies or non-performing loans before, during and after an acquisition.***

Prior to an acquisition, the Group carries out an examination and evaluation of the properties to be acquired, which typically includes developing an initial business plan for the properties after taking into account required maintenance, refurbishment, modernisation, repositioning or capex measures.

The assumptions, estimates and judgments made by the Group in connection with its acquisition of properties, property portfolios, real estate companies or NPLs may be mistaken, inaccurate or incorrect, particularly with respect to anticipated rent and vacancy levels, commercial attractiveness, relevant costs and timeframes, and any other liabilities associated with the acquisition. During periods of reduced activity in the real estate markets, or periods of economic, political or market volatility, market prices for properties may be

difficult to assess. In addition, the valuation methods used could subsequently be found to have been unsuitable for the environment during the periods in question.

Accordingly, the actual performance of acquired properties may differ substantially from the performance predicted by the Group at the time of acquisition. It may be more difficult to lease or sell such properties than anticipated, market rents could decline or level to achieve the levels anticipated by the Group, and capex requirements and/or vacancy rates may exceed the Group's projections or even increase following the acquisition.

Due to the numerous factors that affect the performance of property and real estate markets, there is no guarantee that the properties acquired by the Group will perform in the way the Group anticipated by the time of acquisition. Incorrect and erroneous valuations in connection with the acquisition of property portfolios and other unforeseeable events could result in the Group being unable to achieve its projected yields, leading to the risk that valuations of the properties at their acquisition or later on have to be adjusted downwards (see "*Valuation Risks—Real estate valuation is based on assumptions that may change and are inherently subjective and uncertain. The value accounted for in the Issuer's financial statements may not accurately reflect the value of the Group's real estate assets*").

The occurrence of any of these factors may negatively affect the value of the property portfolio of the Group as reported in its financial statements and may lead to negative impacts on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group's investments are predominantly investments in real estate or real estate companies. Due to the potentially illiquid nature of the real estate market, the Group may not be able to sell any portion of its portfolio or investments on favourable terms or at all.***

The Group primarily invests in real estate or in real estate companies. While the general strategy of the Group is to hold properties that it acquires, the Group will from time to time sell properties or portfolios of properties if attractive opportunities or market conditions arise. The ability of the Group to sell its properties generally depends on the liquidity of the real estate markets at the time of the potential sale. The demand for real estate assets is influenced by, among other factors, the quality of the property, vacancy rates, the overall economic and market situation at the time of the sale, the level of interest rates and the availability of debt financing to market participants.

As a result, if the Group were required to sell parts of the Group Portfolio, particularly on short notice or under legal, financial or time pressure, there is no guarantee that the Group would be able to do so in a timely fashion or on favourable terms or at all. In the case of a forced sale, for example, if creditors realise on collateral, there would likely be a significant shortfall between the fair value of a property or a property portfolio or shares in a real estate company and the price achievable upon the sale of such property or property portfolio or shares in such circumstances, and there can be no guarantee that the price obtained would represent a fair or market value for the property or property portfolio or shares.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits or prospects of the Group.

***The Group may be exposed to losses and liabilities (including tax liabilities) in respect of its assets as a result of the acts or omissions of vendors or previous owners or occupiers or relating to the prior period of ownership.***

The Group may be exposed to losses and liabilities including, but not limited to, tax, environmental or regulatory liabilities, in respect of properties the Group has acquired or will acquire in the future, as a result of the acts and omissions of the relevant vendors or previous owners or occupiers of such assets or relating to the prior period of ownership in question. When the Group acquires property by means of the acquisition of other companies, the liabilities, provisions and other values booked by the Group may not accurately reflect



the actual values of the property or the company or the result that the Group anticipated as part of the acquisition. The actual values may be materially lower than the face values recorded by the Group, which may result in significant losses for the Group. There is no guarantee that the Group will be aware or able to determine the scope of such losses and liabilities prior to acquiring the assets.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***Following an acquisition, the Group is exposed to integration risks.***

After the acquisition of properties or a property portfolio, the properties must be integrated into the Group's existing management platform. The Group has developed an IT-based platform that is intended to provide efficient in-house management of its real estate portfolio, as well as the efficient integration of newly acquired properties. The integration of acquired portfolios may be more difficult or take longer than anticipated and cost savings and synergies may not develop as expected, resulting in higher administrative and management costs than anticipated by the Group.

Also, the integration of IT systems of newly acquired property portfolios or real estate companies into the existing IT platform of the Group or transmission of the respective data into the IT system of the Group could require significant time, effort and related costs. As the Group continues to grow, further acquisitions could cause a significant increase in such costs, or in other costs related to the development and maintenance of the Group's IT systems.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Issuer is not a majority shareholder in GCP, and the other shareholders of GCP may take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives. GCP's business is subject to a number of risks, and GCP may not manage or develop its business properly.***

Although the Issuer is currently the largest single shareholder of GCP, holding a 36% interest in GCP, the Issuer is not a majority shareholder in GCP. Accordingly, there is no guarantee that the other shareholders of GCP will not take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives, and which may negatively impact the value of the Issuer's stake in GCP. In addition, if the Issuer's shareholding in GCP decreases in the future, for example through conversions of GCP's outstanding convertible bonds or through capital increases, the Issuer's ability to influence important decisions at GCP might further decline.

GCP is a publicly traded specialist real estate company that focuses on investing in the German residential real estate market. As such, GCP is exposed to a number of risks which are similar to those described in this Offering Circular with respect to the Issuer and the Group, including without limitation demographic, economic, political and market developments in Germany, political and economic uncertainty in the Eurozone and the potential impact of the "Brexit" referendum, uncertainty regarding global economic development, the potential impact of changes in interest rates, the availability of real estate for purchase and the impact of competition on the ability of GCP to pursue its business strategy, the ability of GCP to successfully manage its properties, potential changes in geographic composition and concentration risks in GCP's property portfolio, the ability of GCP to find and retain suitable tenants for its properties, the impact of capex, maintenance, repositioning and repair of its properties, the strength of GCP's sourcing network and its ability to retain senior management and key personnel, the availability of funding and the ability of GCP to access the capital markets on favourable terms or at all, fluctuations in the fair valuations of its properties, integration risks for newly acquired properties, potential environmental, building code or other legal, regulatory, tax or administrative liabilities in connection with its properties or business, interruptions to information technology or other operational systems, insufficient insurance coverage, defective or

insufficient risk management systems, loss of reputation in the market place, the impact of financial covenants and other limitations on GCP's business under its existing financing arrangements and debt securities, the impact of ongoing legal disputes or administrative proceedings, and the impact of, and potential changes to, the legal, regulatory, administrative and tax regimes in Germany, Luxembourg and the other areas where GCP operates.

There is no guarantee that GCP will be able to successfully manage these risks or additional risks relevant to its business, or manage or develop its business going forward. Any negative developments with respect to the risks facing GCP or any misjudgement, miscalculation, failure or inability of GCP to react to such developments or to manage or develop its business successfully may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of GCP, and in turn, may have a material adverse effect on the share price of GCP, the value of the Issuer's stake in GCP, the distribution of dividends by GCP and/or the performance of the Residential Portfolio.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

***Minority interests of third parties in subsidiaries of the Group or co-investments may make it difficult to implement significant structural changes or other material decisions with regard to these entities, in particular, where those resolutions require a qualified majority or the unanimous consent of all shareholders of these entities.***

In some entities of the Group, the Issuer and/or its subsidiaries do not own all shares and/or do not hold all voting rights in such entities and are thus exposed to the influence of other shareholders or joint venture partners in the respective entity, including the holdings of minority shareholders. In some cases, significant structural changes or other material decisions with respect to such entities may only be implemented with qualified majority consent and/or the consent of the remaining shareholders or the joint venture partner. Such exposure to other shareholders' influence and interests may limit the Group's flexibility to implement the Group's strategy, policies or objectives. This could affect the distribution of dividends from such subsidiary or the sale of shares in such subsidiary or related properties. Furthermore, a joint venture partner or minority shareholder may have economic or business interests or goals that are inconsistent with those of the Group, take actions contrary to the Group's strategy, policies or objectives, experience financial or other difficulties or be unable or unwilling to fulfil their obligations under their co-investment agreements.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Issuer is subject to certain obligations and restrictions due to the stock listings of the Issuer, PCI and GCP.***

Presently, the Issuer's shares are admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange and on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). Consequently, the Issuer is exposed to the restrictions and obligations arising from the applicable laws and regulations in France, and is expected to comply with the requirements applicable to companies whose shares are listed on Euronext Paris as well as the requirements of the Frankfurt Stock Exchange. The shares of Primecity Investment plc ("PCI"), a subsidiary of the Issuer holding the majority of Aroundtown's hotel properties, are also admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange. GCP's shares are listed on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

These stock listings impose obligations and restrictions on the Issuer, PCI and GCP under the applicable capital markets provision, such as the European Market Abuse Regulation, including prohibitions of insider

trading, insider lists, disclosure of inside information as well as under the applicable rules of the relevant stock exchange. In addition, the Issuer, as a result of being a shareholder of PCI and GCP, is subject to applicable capital markets laws and regulations, such as certain notification obligations on shareholding, public takeover regulations and squeeze-out provisions.

These laws and regulations are constantly evolving, and the diversity and complexity of these laws and regulations create a risk that, in some instances, the Issuer may be deemed liable for violations of such laws and regulations, in particular, in connection with a failure to comply with those laws and regulations.

Any violation or breach of these laws and regulations could affect the overall reputation of the Issuer and, depending on the case, expose the Issuer to administrative or judicial proceedings, which could result in adverse judgments. Furthermore there is a risk that the obligations arising from such laws and regulations may restrict or adversely influence the possibilities and overall conditions for taking material decisions with respect to the Issuer's interest in GCP and/or PCI.

The occurrence of any of these factors may have a material adverse effect on the Group's business, financial condition, cash flows, results of operations, net profits and prospects.

***The Group's business is exposed to risks from possible violations of building code and other such regulations in Germany, the Netherlands and the other Portfolio Regions.***

The Group's business is exposed to the risk of non-compliance with building codes and other regulations as regards the construction of buildings. Such codes and regulations tend to become stricter over time. As a result, in addition to the risk that properties did not comply with such regulations at the time of acquisition, the building owner's responsibilities could also be further expanded with respect to fire, health and safety protection and environmental protection, which could require additional refurbishment, maintenance and modernisation measures. Furthermore, the projected cost of such measures is based on the assumption that the required permits are issued promptly and consistently with the Group's schedules. It is possible, however, that the required building permits are not issued promptly or are issued only subject to conditions, which may lead to substantial delays in the completion of such modernisation measures and result in higher than projected costs and lower rental income for the relevant properties.

The occurrence of any of these risks may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group may incur environmental liabilities, such as from residual pollution including wartime ordnance, soil conditions and contaminants in building materials.***

Properties owned or in the process of acquisition by the Group may contain ground contamination, hazardous substances, wartime relics (including potentially unexploded ordnance) and/or other residual pollution and environmental risks. The Group's properties and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl (PCB), Dichlorodiphenyltrichloroethane (DDT), Pentachlorophenol (PCP) or Lindane above the recommended levels or above the allowable or recommended thresholds, or the buildings could bear other environmental risks.

The Group bears the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances, wartime relics or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the letting or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of letting contracts for cause, for damages and other breach of warranty claims against the Group.

Moreover, environmental laws in Germany, the Netherlands and the other Portfolio Regions, such as the German Federal Soil Protection Act (*Bundesbodenschutzgesetz*), typically impose actual and contingent

liabilities to undertake remedial action on contaminated sites and in contaminated buildings or to compensate for damages. The liability need not be based on fault, i.e., the competent authority does not have to establish either negligence or intent on the part of the parties held liable. These obligations may relate to sites the Group currently owns or sites the Group formerly owned because environmental laws typically impose liability not only on the polluter but also on its legal successor, the owner of the contaminated site and in some cases certain previous owners. The costs of any removal, investigation or remediation of any residual pollution on such sites or in such buildings as well as costs related to legal proceedings, including potential damages, regarding such matters may be substantial, and it may be impossible, for a number of reasons, for the Group to have recourse against a former seller of a contaminated site or building or the party that may otherwise be responsible for the contamination, for example, because the former seller or polluter cannot be identified, no longer exists or has become insolvent. Moreover, even the mere suspicion of the existence of ground contamination, hazardous materials, wartime relics or other residual pollution can negatively affect the value of a property and the ability to let or sell such a property.

Laws and regulations, as may be amended over time, may also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release could form the basis for liability to third parties for personal injury or other damages. In addition, if the Group's officers or employees infringe or have infringed environmental protection laws, the Group could be exposed to civil or criminal damages. The Group may be required to provide for additional reserves with respect to its potential obligations to remove and dispose of any hazardous and toxic substances.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group could sustain substantial losses not covered by, or exceeding the coverage limits of, its insurance policies.***

The properties held by the Group are generally insured against losses due to fire, flooding, earthquakes and other natural hazards, operational interruptions and third-party liability, as well as terrorism to the extent usual for its business. The Group's insurance policies are, however, subject to exclusions and limitations of liability. The Group may, therefore, have limited or no coverage relating to third-party liability, other natural disasters and other environmental risks or war. The Group may also have limited or no coverage relating to inflation, changes in planning laws or regulations, building codes and ordinances, title defects and defective construction. In addition, the Group's insurance providers could become insolvent.

The Group does not maintain separate funds or otherwise set aside reserves to cover losses or third-party claims from uninsured events. Should an uninsured loss or a loss in excess of the Group's insurance limits occur, the Group could lose capital invested in the affected property, as well as anticipated income and capital appreciation from that property. In such circumstances the Group may incur further costs to repair damage caused by uninsured risks. The Group could also remain liable for any debt or other financial obligation related to such property, and may experience material losses in excess of insurance proceeds.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group may face difficulties in replacing key personnel if it loses them.***

The success of the Group depends on the performance of its management executives and qualified employees in key positions, particularly employees active in the management of the Group with substantial expertise as to the sourcing of new property portfolios and the value-add and repositioning process for real estate. The loss of one or more members of the board of directors, advisory board, senior management or other key employees of the Group could impair the Group's ability to manage its operations effectively, in particular if the Group fails to attract new highly qualified management executives or qualified employees in

key positions. The Group also faces competition for highly qualified employees from real estate and other companies, and may not be able to recruit, retain or replace key employees in a timely fashion or at all.

The failure to provide the necessary management resources or to recruit, retain or replace key employees may have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

***Damage or interruptions to the Group's information technology systems could lead to diminished data security and limit the Group's business operations.***

The Group's proprietary information technology systems are an important part of the Group's business model. Any interruptions in, failures of or damage to the Group's information technology systems could lead to business process delays or interruptions. If the Group's information technology systems were to fail and back-ups were not available, the Group would have to recreate existing databases, which would be time-consuming and expensive. The Group may also have to expend additional funds and resources to protect against or to remedy potential or existing security breaches and related consequences. Any malfunction or impairment of the Group's information technology systems could interrupt its operations, including its monitoring, controlling and reporting operations, which may result in increased costs and potentially lost revenue. The Group cannot guarantee that anticipated and/or recognised malfunctions can be avoided or remedied by appropriate preventative, maintenance or security measures in every case. Damage, malfunction or interruptions in the Group's information technology systems may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***A loss of reputation or harm to the brand name of the Issuer, the Group or members of the Group, or of the members of the board, advisory board or senior management of the Issuer or members of the Group, or insufficient levels of client satisfaction may reduce the demand for the Group's properties, shares or debt and make it more difficult for the Group to raise capital or debt on attractive terms.***

If the Issuer, the Group or members of the Group, or the members of the board, advisory board or senior management of the Issuer or members of the Group, are unable to maintain their good reputations, brand names and high levels of client service, client satisfaction and the demand for the Group's services and property may decline. In particular any damage to the reputation or brand names of the Issuer or the Group or the members of the Group may make it more difficult for the Group to rent its properties on favourable terms or at all or to attract or retain tenants. The misuse, misrepresentation or abuse of the Issuer's or Group's reputation or brand names may occur due to the result of actions by third parties without the consent or awareness of the Issuer or Group, and may occur even if the alleged events or actions are false, misleading or did not occur.

Any loss of reputation or harm to brand names may restrict the Issuer or the Group's ability to attract or retain clients and business partners, and may limit its ability to source new business opportunities or acquire new property on favourable terms or at all. Moreover, it may make it more difficult or expensive or impossible for the Issuer or the Group to raise capital, issue debt or gain access to financing from banks or the capital markets.

The occurrence of any of these risks may result in a material decline in the share price of the Issuer or the trading prices of its debt, and may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

#### ***Valuation Risks***

***In the event of a downturn or other developments in the real estate markets in Germany, the Netherlands or the other Portfolio Regions, or in the interest rate environment, the fair values of the properties in the Group Portfolio may decline, which may have adverse effects on the valuation of the Group Portfolio.***

The Group accounts for its investment properties at fair value. The valuation is completed by third party appraisers. The valuation model is predominantly based on the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, lease incentive costs such as rent-free periods and other costs not paid by tenants, as well as capex and maintenance expenses related to the property. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality, lease duration and terms, and the interest rate environment.

The fair value thus reflects not only the circumstances directly connected with the property but also the general conditions of the real estate markets, such as regional market developments and general economic conditions or interest rate levels. Accordingly, there is a risk that in the event of a downturn in the real estate market or the general economic situation, the Group will need to revise downward the value of the Group Portfolio. In addition, rising interest rates generally may have a negative influence on the fair value of property portfolios, and may impact the value of the Group Portfolio.

Any change in fair value must be recognised as a profit or loss under the fair value adjustment. Any significant negative fair value adjustments that the Group is required to make could have significant adverse effects on the Group's financial condition and results of operations, as well as the market price of the Issuer's shares. Additionally, there would be negative effects on performance indicators, particularly with respect to net asset value (NAV) and loan-to-value ratio (LTV), which may have a negative influence on the credit rating of the Issuer and may constitute a covenant breach under certain financing agreements or debt securities.

The occurrence of any of these risks may have a material adverse effect on the business, net assets, financial condition, results of operations, net profits and prospects of the Group.

***Real estate valuation is based on assumptions that may change and are inherently subjective and uncertain. The values recorded in the Issuer's consolidated financial statements may not reflect the value of the Group Portfolio.***

In valuing a property, an appraiser may consider factors such as real estate tax rates, operating expenses, potential environmental liabilities and the risks associated with certain construction materials, in addition to expected rental income, the property's condition and its historic vacancy level. In addition, property valuations may be based on assumptions or models that may not be correct or may contain mistakes. An adverse change in one of the assumptions used or factors considered in valuing a property can decrease the assessed value of the property.

When assessing the value of its properties, the Group also mandates external property appraisers. Important assumptions used by independent property appraisers are based on information that the Group produces, for example, vacancy rates, WALTs and current rental income. A change in the factors considered and assumptions used may cause lower valuation results. The valuation of the Group Portfolio may not reflect the actual sale or market prices that the Group could generate on a sale of its property, even where any such sales occur shortly after the relevant valuation date, or the estimated yield and annual rental income of any such property. In particular, during times of reduced real estate transaction levels, market prices for properties may be difficult to assess.

Any re-valuation of the Group Portfolio could also cause the fair values determined for the respective valuation date to fall short of the book values of the relevant properties, resulting in a fair value loss. Under such circumstances, the Group would be required to immediately write down the value of the relevant properties for the relevant accounting period.

The occurrence of any of the foregoing risks may have a material adverse effect on the business, net assets, financial condition, results of operations, net profits and prospects of the Group.

***A decrease in the fair value of GCP may result in a loss for the Issuer***

Following the deconsolidation of GCP from the Issuer's consolidated financial statements at the end of 2014, the Issuer's interest in GCP is presented as investment in an equity-accounted investee. As part of the deconsolidation, the Issuer determined the cost value of its investment in GCP based on an external valuation undertaken for that purpose. From January 1, 2015 forward, the Issuer has recorded its proportional share of GCP's result in the Issuer's profit and loss statement. The Issuer is required to assess the fair value of its interest in GCP on an ongoing basis. In the event of a significant or prolonged decline in the fair value of the Issuer's interest in GCP, the Issuer would be required to recognize a loss based on the decline, which may be significant.

The occurrence of any of the foregoing risks may have a material adverse effect on the business, net assets, financial condition, results of operations, net profits and prospects of the Group.

***Financial Risks***

***The Group may not be able to extend its existing credit arrangements, refinance its debt on substantially similar terms when it matures or obtain acquisition financing on financially attractive terms as and when needed.***

The Group may require additional funds to finance or refinance its debt, capital expenditures, future acquisitions and working capital requirements. The Group may likewise need to borrow additional funds or to raise additional equity or debt capital. The extent of the Group's future capital requirements will depend on many factors which may be beyond the Group's control, and its ability to meet its capital requirements will depend on its future operating performance and ability to generate cash flows. Additional sources of financing may include equity, hybrid debt/equity, debt financing or other arrangements. The Issuer believes that its debt structure, with an overall LTV of 36% as of 30 June 2017, is conservative and provides the Group with adequate flexibility as to future financings. There can be no assurance, however, that the Group will be able to obtain additional financing on acceptable terms when required. If the Group does not generate sufficient cash flows or if the Group is unable to obtain sufficient funds from future equity or debt financings or at acceptable interest rates, the Group may not be able to pay its debts as they come due or to fund its other liquidity needs. The occurrence of any of these factors would limit the Group's operating flexibility, and may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***A rise in general interest rate levels could increase the Group's financing costs. When it attempts to mitigate interest rate risk by entering into hedging agreements, the Group also becomes exposed to the risks associated with the valuation of hedge instruments and these hedges' counterparties.***

As at 30 June 2017, the total carrying amount of the Group's total financial debt was approximately €3.9 billion and the Group's total net financial debt (total financial debt less cash and liquid assets) was approximately €3.6 billion.

When concluding financing agreements or extending such agreements, the Group depends on its ability to agree on terms for interest payments that will not impair its desired profit and amortisation schedules. In general, rising market interest rates would lead to higher financing costs in the future and so may have a material adverse effect on the business, financial condition and results of operations of the Group. The Group regularly enters into financing agreements with variable interest rates while hedging such variable interest rate with customary market hedging instruments, such as interest swaps or caps. The hedging instruments that the Group uses, however, may not be completely effective, and the Group may be unable to enter into necessary extensions or renegotiations of its financing agreements or hedging instruments at their current interest rate terms, including associated costs, or to the extent planned.

In addition, the hedging agreements the Group enters into generally do not completely counterbalance a potential change in interest rates, and as a result even with hedging agreements in place, interest rate fluctuations may have a negative impact on the Group's equity. In addition, the Group is exposed to the risk that its hedging counterparties will not perform their obligations as established by the hedging agreements into which the Group has entered. Hedging counterparties may default on their obligations towards the Group due to lack of liquidity, operational failure, bankruptcy or other reasons.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***A downgrade or withdrawal of the Issuer's current credit rating or of GCP's current credit rating may impact the ability of the Group to obtain financing or issue further debt and may have a negative impact on the Group's debt costs and on the share price of the Issuer and/or GCP.***

As of the date of this Offering Circular, the Issuer is assigned a "BBB" credit rating with stable outlook by S&P, and GCP is assigned an investment grade credit rating of "Baa2" with a positive outlook from Moody's Investors Service Limited (**Moody's**) and an investment grade credit rating of "BBB+" with a stable outlook from S&P.

The credit ratings of the Issuer and/or GCP may be downgraded or withdrawn in the future as a result of factors that are beyond the Issuer's control, such as a deterioration in the real estate or financial markets, or due to weakened financial performance by the Issuer, GCP or the Group. Any negative change in the credit rating of the Issuer or GCP may make future financing and debt issuances by the Issuer and other members of the Group more difficult and expensive, and may require the Issuer and other members of the Group to, among other things, pay higher interest rates and/or provide increased collateral or other security if they are able to access additional financing at all. A downgrade or withdrawal of the credit ratings of the Issuer and/or GCP may also result in a breach of certain financial covenants in their respective credit lines, financing arrangements and/or debt issuances, and may have a material adverse effect on their respective businesses. A downgrade or withdrawal of the credit ratings of the Issuer and/or GCP may also result in a significant decline in the share price of the Issuer and/or GCP, and in the case of a decline of the share price GCP, may result in a significant loss to the Issuer due to the decrease in value of its investment in GCP.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. See also "*Ratings may not reflect all risks and are subject to change*".

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The redemption or early redemption of the Issuer's outstanding bonds may result in a substantial payment obligation for the Issuer.***

The Notes and other bond issuances by the Issuer contain provisions that provide for the redemption or early redemption of the bonds in certain situations.

The Issuer's other bond issuances may also be redeemed prior to their final maturity date in certain situations. In general, the bonds may be redeemed in whole but not in part by the Issuer at its discretion subject to the payment of the principal amount of the bonds and in certain cases the present value of the remaining interest payments on the bonds, discounted by a certain benchmark yield. The Issuer may also generally redeem the outstanding bonds in an issuance if purchases (and corresponding cancellations) and/or redemptions and/or conversions (if applicable) have been effected in respect of more than 80% of the aggregate principal amount originally issued of the series. The Issuer may also redeem the bonds in the event that the Issuer would be obliged to pay additional taxes as a result of changes in Luxembourg tax law. The



holders of the bonds are also entitled to demand redemption of the bonds in certain situations, including as a result of a change of control of the Issuer.

The redemption or early redemption of any bonds may result in a substantial payment obligation for the Issuer and may require the Issuer to take steps to meet their redemption obligations, including borrowing additional funds. Redemptions or early redemptions of the Issuer's bonds may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Issuer's cash flow requirements and possible future interest payments are dependent on the profitability of the Group or must be met with borrowed funds or by selling property.***

The Issuer is the parent of the Group and conducts its business primarily through other members of the Group. In order to service the Issuer's and Group's debt (principal and interest), the Group needs to continue to achieve positive cash flows from operating activities. The Group generally generates such cash flow from rental and operating income (as described in the Issuer's consolidated financial statements) and from proceeds from disposals. If the Group is unable to generate positive cash flows from its operating activities in the future, the Group could be forced to sell properties irrespective of the market situation and possibly on terms unfavourable to the Group or be forced to borrow money on financially unattractive terms in order to meet its obligations.

The Issuer accounts for its interest in GCP as investment in equity-accounted investees, and does not consolidate the results of GCP. While the value of the Issuer's interest in GCP may increase based on GCP's financial performance, resulting in additional income being recorded for the Issuer, the Issuer will not realize cash from its interest in GCP unless it sells its interest or GCP pays dividends to its shareholders. The values of the shares of GCP are subject to market fluctuations, which the Issuer cannot control, and its ability to sell the shares of GCP that it holds may be limited. In addition, any sales of shares of GCP by the Issuer or other members of the Group may have a negative impact on the value of the shares of GCP. Because the Issuer is not a majority shareholder in GCP, the Issuer cannot guarantee that dividends will be declared by GCP. Accordingly, there is no guarantee that the growth or performance of GCP will result in additional cash income for the Issuer. For more information, see *"Risks Related to the Business of the Group—The Issuer is not a majority shareholder in GCP, and the shareholders of GCP may take resolutions or implement measures that are not supported by the Issuer or that are contrary to the Group's strategy, policies or objectives. GCP's business is subject to a number of risks, and GCP may not manage or develop its business properly."*

The occurrence of any of these risks may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits or prospects of the Group.

***There are risks of foreclosure if the borrowing entities in the Group do not fulfil their obligations under loans granted by banks. A breach of covenants or undertakings under loan agreements, such as a change of control within the Group or a material decline in the collateral securing the loan, could result in substantial payment obligations for the Group and could lead to the enforcement of the related collateral including sales at prices substantially below fair value.***

The Group has raised capital in the past through loans and bond issuances and will likely continue to do so in the future. The receivables resulting from loans granted by banks for the purpose of acquiring and/or redeveloping properties are usually secured by first-ranking land charges in favour of the lending bank. If the relevant entity of the Group does not fulfil its obligations under the loan, e.g. repayment of receivables when they become due, or a potential breach of covenants or undertakings is not cured within the cure period, such entity could be forced to sell the respective security under time pressure or on unfavourable conditions, or the lending bank may be entitled to enforce its interest in the security, any of which may lead to a sale of the security at prices substantially below fair value.

In order to increase its financial flexibility, the Group routinely enters into credit facilities of various types. As security for these credit facilities, the Group regularly pledges the shares of GCP that it holds or controls. These credit facilities may include provisions with respect to mandatory prepayments and/or cancellations in the event of a change of control or in the case of the occurrence of certain events or triggers with respect to the pledged securities, including a decline in share price.

Loan agreements between banks and entities of the Group usually provide for financial covenants or undertakings. If the relevant entity is in breach of such covenants or undertakings, the lender may terminate the affected loan agreements. In addition, certain of the Group's loan agreements require that the Group receive the lender's approval in connection with any change in tenant or new rental agreement for the relevant properties. While the Group generally maintains good relationships with its lending partners, there is no guarantee that the Group's lenders in such circumstances will grant their approval for tenant changes that the Group would like to make, which may limit the Group's ability to manage certain of its properties.

Most of the loan agreements of entities of the Group with banks contain standard change of control clauses enabling the respective lender to terminate the loan agreement in case of a change of control without the lender's consent. Under a considerable portion of the loan agreements the respective lender may terminate the loan agreement if (a) the Issuer is no longer (directly or indirectly) the majority shareholder of the respective borrower or (b) the property management of the respective property is no longer performed by a member of the Group. If a loan agreement is terminated due to the aforementioned reasons, the outstanding amounts (principal and interest) under the affected loan agreements are immediately due and payable.

The occurrence of any of the foregoing factors may have a material adverse effect on the business, financial condition, results of operations, net profits, cash flows and prospects of the affected entity and the Group.

***The Group has grown rapidly since 2012, and there is no guarantee that the Issuer and the Group will be able to manage future growth successfully. The Issuer's and the Group's historical earnings and other historical financial results are not necessarily predictive of future earnings or other financial results of the Issuer or the Group.***

The financial information included in this Offering Circular and the financial statements of the Issuer incorporated by reference in this Offering Circular relate to the past performance of the Issuer and the Group. The Group has grown rapidly since 2012, and the future development of the Group could deviate significantly from past results due to a large number of internal and external factors. There is no guarantee that the Issuer and the Group have the capacity to adequately manage and handle their future growth. The Group's risk management, IT, property management and other operational systems may be unable to handle growth of the Issuer and the Group, and the Issuer and the Group may be unable to acquire the employees, operating capacity and other resources that it needs to handle its growth in the future.

In addition, because of the rapid growth of the Issuer and the Group, the historical earnings, historical dividends and other historical financial data of the Issuer and the Group are not necessarily predictive of future earnings or other financial results for the Issuer or the Group. The information presented in this Offering Circular often involves forward-looking statements based on estimates and assumptions of the Group. There can be no assurance that these estimates and assumptions will be accurate, reasonable or correct in every market condition, and the Group may fail to accurately predict future developments.

The Group will from time to time invest in short term traded securities, primarily to generate returns from excess cash. There can be no guarantee that the Group will not suffer losses related to these investments, which may cause its financial results to fluctuate.

***Risks Relating to the Shareholding Structure of the Issuer***

***Avisco Group Plc is able to exercise significant influence over matters resolved by the Issuer's general meeting of shareholders, and its interests may not always be aligned with the interests of other shareholders.***

Avisco Group Plc, through its wholly- and majority-owned subsidiaries, currently holds or controls 44% of the shares of the Issuer. For more information, see “*Description of the Issuer—Shareholding Structure*”. As a result, Avisco Group Plc could adopt and implement resolutions to be adopted by the general meeting of the Issuer's shareholders which require a simple majority or which have even higher majority requirements solely through the exercise of its own voting rights. Furthermore, Avisco Group Plc could prevent a general meeting of the Issuer's shareholders from adopting resolutions, including resolutions which require a qualified majority of the votes cast. There can be no guarantee that the interests or actions of Avisco Group Plc will be aligned with the interests or actions of other shareholders in the Issuer.

Avisco Group Plc regularly pledges the shares of the Issuer that it holds or controls as security for credit facilities of various types, which may include facilities provided by the Dealers or their affiliates. These credit facilities may include provisions with respect to mandatory prepayments and/or cancellations in the event of a change of control or in the case of the occurrence of certain events or triggers with respect to the pledged securities, including a decline in share price.

If any large shareholders of the Issuer were to sell substantial amounts of their shareholdings on the public exchange or if market participants were to become convinced that such sales might occur, this may have a material adverse effect on the market price of the shares of the Issuer.

### ***Legal and Regulatory Risks***

***The Group's business is subject to the general legal environment in Germany, the Netherlands and the other Portfolio Regions, any of which may change to the Group's detriment.***

The Group's business is subject to the general legal framework applicable to real estate in Germany, the Netherlands and the other Portfolio Regions. This framework includes a variety of laws and regulations, including civil, corporate, tax, planning, zoning, environmental, health and safety and other laws, regulations and/or requirements, as well as specific laws in the Portfolio Regions, such as German and Dutch tenancy law, and special provisions under other laws, including construction laws, historic preservation laws, social legislation, real estate taxation and other public laws. The Group may be required to pay penalties and/or lose required permits or licenses for non-compliance with any such laws, regulations and/or other requirements of local, regional and national authorities to which it is subject, as well as the authorities of the European Union. In addition, the upcoming general election in Germany in 2017 could increase the risk of legal or regulatory change in Germany in the coming years. Any changes to German, Dutch, European or other laws applicable to the Portfolio Regions, including changes with retrospective effect, or changes in the interpretation or application of existing laws may have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

In addition, the Issuer is incorporated in Luxembourg and the Group conducts its business through companies that are located in a number of jurisdictions, including without limitation Cyprus, Germany, Luxembourg and the Netherlands. Certain members of the Group may be formed, incorporated or registered in jurisdictions where the Group does not, or does not yet, hold property. Any change in the legal, tax or regulatory environments in any of these jurisdictions, including changes with retrospective effect, or changes in the interpretation or application of existing laws could have a material adverse effect on the net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Although the Group takes steps to keep itself informed of potential changes to the legal, tax and regulatory environments in which it operates and where its members are formed, incorporated or registered, there is no guarantee that the Group will become aware of such changes in a timely fashion. Any such changes or any misjudgement, miscalculation, failure or inability of the Group to react to such changes may have a material

adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group is subject to tenant protection laws in Germany, the Netherlands and the other Portfolio Regions. These laws may limit among other things the ability to evict tenants, the levels of rent increases and the ability to pass on modernisation costs. Moreover, further regulatory developments are likely.***

The Group is subject to tenant protection laws in Germany, the Netherlands and the other Portfolio Regions. These laws may limit, in some cases substantially, the Group's ability to engage in certain actions with respect to the properties that it owns, including without limitation with respect to the eviction of tenants, levels of rent increases and the ability to pass on modernisation costs. These laws may change in the future, and any such changes may in turn adversely affect the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

In Germany and the Netherlands, the landlord-tenant relationship is subject to a significant level of statutory regulation which generally provides for far-reaching economic and social protections for tenants under residential leases. For example, landlords may only terminate residential lease agreements if there is a legitimate interest in doing so.

In Germany, landlords may not increase residential rents under existing leases by more than an aggregate of 20% compared to locally prevailing comparative rent levels over a three-year period (the capping limit). This capping limit may be reduced by certain municipalities to 15% over a three-year period. So far, twelve German state governments (*Landesregierungen*) (Bavaria, Baden-Wuerttemberg, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Lower-Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saxony and Schleswig-Holstein) have adopted regulations to reduce the capping limit, and other state governments may do the same. The limitations on rent increases arising from the capping limit may impair the value of the affected properties, which may have a significant negative impact on the value of the Group Portfolio.

Further statutory limitations on the rent for new lease agreements were introduced by the German Tenancy Law Amendment Act (*Mietrechtsnovellierungsgesetz*) which came into effect in June 2015, and according to which newly agreed rents may only be increased by a maximum of ten per cent above the relevant locally prevailing comparative rent level (*ortsübliche Vergleichsmiete*), unless the rent level agreed with the previous tenant was higher (known as the rent brake (*Mietpreisbremse*)).

Complications may arise if the relevant municipalities do not produce or publish rent indices in a timely fashion or at all, something which they are not required to do. If municipalities publish rent indices, they are required to update their rent indices every two years. If municipalities publish qualified rent indices they must adjust these for market trends every two years and produce a new qualified rent index at least every four years. Some municipalities consistently take longer to update their rent indices, making it difficult for landlords to adjust rents to prevailing market levels. If municipalities do not publish rent indices in a timely fashion or at all, landlords may be required to commission independent surveyor reports in order to assess appropriate rent levels and corresponding rent adjustments, which may result in additional costs or delays in increasing rents and limit the ability of landlords to increase rent levels at all. While the parties to a tenancy agreement may voluntarily agree on rent increases, such increases may not accurately reflect market rates and could be subject to challenge based on the publication of rent indices in the future.

Landlords in Germany are also subject to certain requirements with respect to modernisation of their properties and are limited in their ability to pass on these costs to residential tenants. In the event of modernisation through which (i) substantial energy savings are achieved (energy-related modernisation measures, *energetische Modernisierung*) or (ii) substantial reductions in water consumption are produced or (iii) substantial increases in the utility value (*Gebrauchswert*) of the rented property are achieved or (iv) permanent improvements in housing conditions are achieved or for (v) modernisation measures that are undertaken due to circumstances for which the landlord is not responsible and which do not qualify as maintenance measures, costs may be passed on to the tenants by way of an increase of the annual rent in the

amount of 11% of the cost incurred (less the costs that would have been incurred for maintenance measures required in any case), unless the tenant can prove that the rent increase constitutes undue hardship. The German federal government is currently considering restricting such increases to a significantly lower percentage of the total costs of modernization work and to the period necessary to amortize the costs. Under certain circumstances, tenants have a special right of termination after a rent increase.

In the Netherlands, rent control laws impose restrictions on landlords regarding rent increases if such relevant properties are subject to social housing rules. Rent increases in these situations are effectively limited to annual inflation.

The Group Portfolio is impacted by these and other regulations, and the growth of the Group Portfolio, including rent levels, vacancy rates and WALTs, may be limited by such regulations. In addition, residential real estate in Germany continues to be a highly sensitive political topic and further regulatory developments in this area are likely.

In the Netherlands, the lease of retail and hotel property is subject to certain mandatory laws regarding tenant protection. As a rule, the lease of retail property requires an initial lease period of at least 5 years, with an automatic extension up to 10 years in total. There are only limited possibilities for the landlord to terminate the lease after the first 5 years. Retail leases for a period of 2 years or shorter are excluded from this rule. The applicability of this legal regime limits the ability of the Group to terminate leases and it adversely affects the Group's flexibility to terminate, extend or amend retail lease agreements.

Furthermore, laws in some jurisdictions may grant some tenants a periodic right to terminate a lease before it expires, which may affect among other things occupancy rates and rent levels in the Group Portfolio.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group's tenants in Germany could attempt to prematurely terminate their lease agreements based upon strict formal requirements under German law for long-term leases which could lead to a reduction or loss of rental income.***

Certain of the real estate properties in the Group Portfolio, and in particular in the Commercial Portfolio, are subject to long-term lease agreements. Pursuant to German law, long-term lease agreements can be terminated prior to their contractually agreed expiration date if certain formal requirements are not complied with. These include the requirement that there is a document that contains all the material terms of the lease agreement, including all attachments and amendments, and is signed by both parties. Although the details of the applicable formal requirements are assessed differently by various German courts, most courts and legal commentators agree that such requirements are, in principle, to be interpreted strictly. Certain of the lease agreements in relation to the properties in the Group Portfolio may not satisfy these requirements. Consequently, some of the Group's tenants might attempt to invoke alleged noncompliance with these formal requirements (or other requirements to be met by a landlord) in order to procure an early termination of their lease or force a favorable renegotiation of the terms of their lease, to the detriment of the Group.

Premature loss of tenants and the ensuing loss of rental income, a failure to renew lease agreements, at all or at favourable conditions, and uncertainties regarding the validity of long-term lease agreements have a material adverse effect on the Group's business, net assets, financial conditions, cash flows or results of operations.

***The growth of the Group Portfolio may be limited by German, Dutch and other laws, including laws with respect to environmental modernization, restrictions on modernization alternatives and other regulations. Moreover, further regulatory developments are likely.***

Any change to German, Dutch or other laws applicable to the Portfolio Regions, including the laws of the European Union, may have an impact on the Group Portfolio, and the growth of the Group Portfolio, including rent levels, vacancy rates and WALTs, may be limited by such changes. These laws and any changes to them may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Based on environmental EU Directives, that have been implemented in the laws of Germany, the Netherlands and certain other Portfolio Regions, the landlord or the seller of a property will be required to present an energy certificate (*Energieausweis* in German and *energielabel* in Dutch) before concluding a new lease or sale and purchase agreement, respectively. Where a property is offered (for sale or lease) via commercial media, the energy performance rating of such property is also to be indicated in accordance with the available energy certificate. Penalties may apply when such energy certificate cannot be presented.

Also, owners of properties with a centralized water facility are required to take measures to prevent the legionella bacteria, for instance by periodical testing. Further, owners of properties are required to separate drinking water from fire-fighting water by establishing and maintaining separate lines for these systems. In addition, owners are required to equip residential units with smoke detectors, starting from 1 January 2017 in North Rhine-Westphalia and Saarland for all buildings, and starting from 1 January 2017 in Berlin for new buildings and from 1 January 2020 for existing buildings.

In Germany, other heightened environmental laws may cause additional costs for the Group. Under the German Ordinance on Energy Saving (*Energieeinsparverordnung*, **EnEV**), which was revised with effect from 1 May 2014, the landlord is responsible for making investments in renovation work for the purpose of reducing the energy consumption (including through heat insulation). In certain circumstances, thermal renovation of the building in question will be necessary. For example, landlords are required to renovate the roofs of their let properties so as to meet minimum heat insulation standards.

In the case of listed historical buildings or monuments in Germany, the Netherlands or the other Portfolio Regions, laws or regulations regarding the protection of historical buildings may entail increased expenditures on maintenance and modernization procedures or may restrict the ability of the landlord or owner to carry out certain modernization, improvement or maintenance measures. Such laws or regulations may have a negative impact on the Group's ability to sell or let such properties or to use them as security for financing purposes.

Any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

### ***The Group is exposed to the risks of ground leases in Germany and the Netherlands***

Certain of the properties in the Group Portfolio are located in Germany and the Netherlands on ground leases, where legal title to the land and the property are separated. In general, financing and sales in connection with properties located on ground leases are more difficult due to the restrictions typically found in ground leases, and the conditions of the ground lease agreements, such as their terms and payment obligations, are key parameters that impact the value of these properties. The ground lease agreements may contain provisions leading to the exceptional result of the loss of the ground leased property if the Group is in material breach of the ground lease agreement. Furthermore, the Group may face changes in the terms and conditions of the ground lease agreement, for example with respect to payment obligations to the owner of the land. Unfavourable changes to the ground lease agreements or relevant regulations may limit the Group's ability to sell or refinance the properties, which are subject to ground leases, and may thereby decrease its value, or require the Group to write down the assets value as recorded on the Group's consolidated balance sheet.

The occurrence of any of these factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group's use of standardised documents, clauses and agreements could lead to additional legal risks.***

The Group maintains legal relationships with a large number of persons, primarily tenants and also employees of the Group. In this context, the Group frequently uses standardised documents, clauses and agreements. If such documents, clauses or agreements are found to be invalid, in whole or in part, statutory provisions or judicial interpretations which are unfavourable to the Group may be substituted for such documents, clauses or agreements, which may in turn affect a large number of the documents, clauses and agreements used by the Group. It is impossible to fully protect the Group against risks from the use of such standardised documents, clauses and agreements due to the frequent changes to the legal frameworks in the Portfolio Regions, particularly court decisions relating to general terms and conditions of business.

In Germany, for example, the German Federal Court of Justice (*Bundesgerichtshof*) has ruled that standard clauses in letting contracts are invalid if they obligate the tenant to carry out cosmetic repairs (*Schönheitsreparaturen*) within a fixed schedule or to fully renovate the apartment at the end of the letting term (*Endrenovierung*) or if they provide for compensation regarding ratios (*Quotenabgeltung*). The invalidity of such clauses results in the landlord being responsible for the repair and maintenance and being required to bear all related costs. If the tenant carries out such repair and maintenance works without actually being obliged to do so, the landlord might be required to compensate the tenant for the corresponding costs. Even in the case of agreements prepared on the basis of legal advice, it is impossible for the Group to avoid problems of this nature in advance or in the future, because changes could occur in the legal framework, particularly case law, making it impossible for the Group to avoid the ensuing legal disadvantages. Although these rulings were originally applied only to residential real estate, additional court rulings have extended them to commercial real estate.

The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The risk management and compliance systems of the Group may prove to be partially or completely insufficient or fail, and unknown, unrecognised, underestimated or unexpected risks may materialise, any of which could lead to government investigations and significant reputation, financial or other consequences. The Group may fail to adequately account for potential liabilities or risk exposures.***

The Group has put in place risk management and compliance systems that it believes are suitable to its business, and the Group continues to develop and update its risk management and compliance systems in order to monitor market risk, liquidity and financial risk, operational risk, organisational risk and the risk of reputational damage. There is no guarantee, however, that the Group's risk management or compliance systems are in fact sufficient to manage the risks faced by the Group. The Group may be faced with risks that were previously unknown, unrecognized, underestimated or unconsidered, and its risk management or compliance systems may function incorrectly or fail. Inappropriate risk management or compliance measures may cause irregularities leading to among other things cash losses or delays in development of the Group, or to official investigations or third-party claims against the Group, which in turn could have significant financial, reputational and other consequences.

The Group books provisions for potential liabilities such as tax liabilities, litigation exposure and bad debt. These provisions are based on management's assumptions, estimates and judgments, and there is no guarantee that the provisions taken by the Group adequately account for the Group's potential or actual liabilities or risk exposures. Failure to take adequate provisions against potential liabilities could have significant financial, reputational and other consequences for the Issuer or the Group.

The occurrence of any of these risks could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

***The Group could incur liability in connection with properties, interests in companies or other assets that it sells.***

When the Group sells properties, interests in companies that hold real estate or other assets, it is typically required to make representations, warranties, covenants and negative declarations of knowledge to purchasers with respect to certain characteristics of such properties, interests or assets. The resulting obligations of the Group may continue to exist for a number of years after the Group sells such properties, interests or assets. Among other things, the Group could be subject to claims for damages from purchasers who assert that the representations or warranties that the Group made to them were untrue, or that the Group failed to meet its obligations under the relevant sale agreement. The Group could become involved in lengthy and expensive legal disputes with purchasers and could be required to make significant payments for restitution, damages or to settle disputes.

As a seller of properties, interests in companies or other assets, the Group is also subject to other restrictions in Germany, the Netherlands and the other Portfolio Regions. Failure to comply with these requirements may expose the Group to legal, administrative or regulatory proceedings, sanctions or penalties. Legal or settlement costs, including the costs of defending lawsuits, whether justified or not, as well as potential damages associated with liability for properties, interests in companies or other assets that the Group has sold may have an adverse effect on the cash flows, financial condition and results of operations of the Group.

The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***Entities of the Group may be subject to litigation, administrative proceedings and similar claims.***

Entities of the Group have been and will likely continue to be subject to various administrative and legal proceedings in the ordinary course of business. Such proceedings often relate to matters such as outstanding rent payments and the termination of lease agreements, but may from time to time involve larger scale litigation or disputes. These proceedings, even for routine matters, can be lengthy and expensive and involve substantial resources at the Group. In addition, larger or unexpected proceedings may distract or delay management from implementing the Group's business strategy.

The Group may also be subject to litigation in connection with agreements entered into by the Issuer or members of the Group relating to the purchase and/or sale of property, interests in companies or other assets, or other activities of the Group. It is impossible for the Group to predict if and when significant litigation or administrative or legal proceedings may occur.

The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The Group could be exposed to restitution claims in Germany.***

According to the German Act on Unsettled Property Issues (*Gesetz zur Regelung offener Vermögensfragen*), persons who were expropriated of property within the former German Democratic Republic (**GDR**) can claim restitution or compensation under certain conditions, in particular if the property was seized without compensation or less compensation than citizens of the GDR were entitled to. The German Act on Unsettled Property Issues is also applicable to persons who lost property due to racist, political, religious or ideological reasons between 1933 and 1945. Although the notification deadline under the German Act of Unsettled Property Issues, subject to certain exemptions, expired at the end of 1992, the aforementioned restitution and compensation claims cannot be entirely excluded. If any such claims were asserted in respect of an entity of the Group regarding properties owned by the Group, the Group would be severely limited in its ability to manage such properties and may even be forced to transfer such properties to successful claimants without adequate compensation. Any such limitations or compulsory transfers of properties could have a material adverse effect on the business, net assets, cash flows, financial condition and results of operations of the Group.

***Tax Risks***



***The Group is subject to the tax environment in Luxembourg, Cyprus, Germany, the Netherlands and the other Portfolio Regions. The Group's tax burden may increase as a consequence of current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof.***

The Group is subject to the tax environment in Luxembourg, Cyprus, Germany, the Netherlands and the other Portfolio Regions. The Group's tax burden depends on various aspects of tax laws, as well as their application and interpretation. Amendments to tax laws may have a retroactive effect, and the application or interpretation of tax laws by tax authorities or courts may change. Furthermore, court decisions are occasionally limited to their specific facts by tax authorities. Any of these developments may increase or alter the Group's tax burden.

A number of factors may also impact the Group's tax situation. The Group is required to file tax declarations in Luxembourg, Cyprus, Germany, the Netherlands and the other Portfolio Regions, and any tax assessments that deviate from the Group's tax declarations may increase or alter the Group's tax obligations. The members of the Group are regularly subject to tax audits by the competent tax authorities which may result in increases in the Group's tax obligations or penalties and fines. The Group may also be subject to administrative or judicial proceedings with respect to its tax declarations, and may incur substantial time and effort in addressing and resolving tax issues.

In addition, changes in tax legislation, administrative practice or case law, which are possible at any time and may occur on short notice, could have adverse tax consequences for the Group. The applicable tax rates, for example with respect to property tax, property transfer tax or capital gains tax, may also change rapidly and with short notice. Changes in real estate transfer taxes may also negatively affect the value of the Group Portfolio. Additionally, changes could be made to the ability to depreciate owned real estate. Any of these changes may have an adverse effect on the attractiveness of commercial and residential real estate. Despite a general principle prohibiting retroactive application, amendments to applicable laws, orders and regulations can have retroactive effect. Additionally, divergent statutory interpretations by the tax authorities or the courts are possible. Any changes to the Luxembourg, Cyprus, German or Dutch tax regimes, or to the tax regimes in the other Portfolio Regions, may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

***The structure of the Group is influenced by the general tax environment in Cyprus, Germany, the Netherlands, Luxembourg and the other Portfolio Regions, and changes in the tax environment in these countries may increase the tax burden of the Group.***

In addition to the Issuer, which is established in Luxembourg, the Group consists of more than 300 companies and together with GCP consists of more than 800 companies. These companies have registered offices primarily in Germany, Cyprus, the Netherlands and Luxembourg. The companies in the Group are subject to the tax laws of their jurisdictions of registration and the jurisdictions where they conduct business. PCI has its registered office in Cyprus. Most of the Group's German property companies are held through Cypriot subsidiaries which themselves are held by one of the Issuer's aforementioned subsidiaries or investees. GCP has its registered office in Luxembourg.

Thus, the structure of the Group provides for various tax aspects, including cross-border taxation issues governed by double-tax treaties between Cyprus, Germany, the Netherlands and Luxembourg. It cannot be excluded that tax authorities in Cyprus, Germany, the Netherlands, or Luxembourg may not share the view of the tax assessment of the Group which could lead to additional tax burdens for the Group in any of these countries. Also, the tax laws in any of these jurisdictions or double-tax treaties between these countries might change in the future, even with retroactive effect, which could cause additional tax burdens for the Group.

For Dutch corporate income tax purposes, real estate may be depreciated only for as long as the tax book value does not fall below the 'threshold value'. This threshold value of properties that are held as portfolio investment equals the value provided in the Law on Valuation of Real Estate (*Wet Waardering Onroerende*

*Zaken* or **WOZ**), known as the WOZ value. With respect to real estate that is not portfolio investment (e.g. an own building used within an enterprise) different depreciation rules apply. Although the WOZ value is meant to approximate the fair market value of the real estate property, in practice there may be a significant difference between the WOZ value and the actual fair market value. The WOZ value is determined annually by the municipality where the property is situated. If the threshold value increases, tax depreciation that had been previously claimed, is not recaptured.

Upon the disposal of real estate and under strict conditions, a company may apply for a reinvestment reserve provided that the taxpayer has a clear intention of replacing the disposed business assets with business assets that perform a similar function within the enterprise. Under the reinvestment reserve provisions, the tax book profit arising from the disposal of real estate may technically be carried forward and offset against the acquisition cost of a reinvestment asset. The reinvestment reserve only applies for qualifying business assets used in an enterprise (i.e., no shares, portfolio assets or inventory).

The occurrence of any of these factors could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

***The Group is exposed to real estate transfer taxes and value added taxes.***

Increases in the applicable real estate transfer tax rates for the properties in the Group Portfolio could negative impact the Group Portfolio by, among other things, reducing the value of and the proceeds from a sale of the affected properties or by reducing purchase demand for the affected properties or by reducing the valuation of the affected properties in the Group Portfolio.

The Group currently holds real estate in Germany and shares in companies which own real estate in Germany. In Germany, the transfer of real estate or of a 95% or greater interest in a company that owns real estate triggers a potential liability for real estate transfer taxes. In these cases, the real estate transfer tax generally equals the sum of the values for real estate transfer tax purposes according to the German Valuation Act (*Bewertungsgesetz*) multiplied by the tax rate, as applicable. At the national level in Germany, the legal framework of real estate transfer tax is provided for in the German Real Estate Transfer Tax Act (*Grunderwerbsteuergesetz*; **GrEStG**), at the level of the Federal States, however, the real estate transfer tax rate varies by Federal State, currently within a range of 3.5% to 6.5%. The relevant tax bases (*Bemessungsgrundlagen*) for real estate transfer tax purposes have recently been changed. This may generally lead to a higher real estate transfer tax burden than under previously applicable laws, in particular for share unifications or other transactions pursuant to section 1 paras. 2a, 3, 3a GrEStG. Such legislative change was based on a decision by the German Federal Constitutional Court (*Bundesverfassungsgericht*) which, inter alia, requested that the legislator implement valuation methods that lead to values which mirror the values of the relevant property realistically (*realitätsgerecht*). According to the recently amended real estate transfer tax law, such amendments are applicable to acquisitions (*Erwerbsvorgänge*) realized after 31 December 2008. For the tax bases being relevant for share unifications or other transactions pursuant to section 1 paras. 2a, 3, 3a GrEStG, the amended real estate transfer tax law refers to the relevant values for inheritance tax purposes. Under such rules, tax bases shall, inter alia, be derived from future earnings based on the actual leases and be adjusted by certain deductions and additions based on a specific method pursuant to the German Valuation Act, provided inter alia that such leases do not deviate from third party leases for more than 20%. In any event, the taxpayer may establish a lower fair market value (*gemeiner Wert*) (section 198 of the German Valuation Act).

Because of the complexity of the real estate transfer tax laws in Germany, the Group may from time to time seek to acquire properties with less than a 95% stake in the ownership company. This may result in an increased complexity of the transaction and stronger minority rights of the associate parties. As a consequence, transaction costs and future administrative expenses for the newly acquired property would generally rise, too.

In relation to acquisition of existing real estate located in the Netherlands, Real Estate Transfer Tax (**RETT**) will be due. The RETT rate is 2% for residential real estate and 6% for non-residential real estate and is levied over the value of the acquired property. Residential real estate is real estate that at the time of its transfer is intended for occupation by private individuals. The definition of residential real estate has been and is the subject of extensive debate and litigation. Where tax payers have claimed the 2% rate, the tax authorities may increase to 6% plus interest and possibly penalties if the property can not, or not wholly, be classified as residential.

Dutch RETT may also be due in case of the acquisition of shares in a company of which the majority of assets consist of real estate in the Netherlands. This is the case if all of the following requirements are met:

- the stock is acquired in a Dutch legal entity with its equity divided into shares, or an entity incorporated under the laws of another state that has the same characteristics of such a Dutch legal entity;
- the stock is acquired in a legal entity of which, at the time of the acquisition or at any time in the preceding year, the assets consist or consisted of 50 per cent or more of real estate, and at least 30 per cent of all assets consist of real estate in the Netherlands;
- the activities pertaining to the real estate consist, at the time of the acquisition or at any time in the preceding year, of 70 per cent or more of the acquisition, disposal or exploitation of that real estate; and
- the buyer directly or indirectly acquires an interest of at least one-third in the entity's capital, including any interest the buyer may already directly or indirectly hold.

The Dutch RETT and Value Added Tax (**VAT**) treatment of ground leases (*erfpacht*) follow specific regulations to calculate the tax base and to determine whether the establishment or acquisition of the ground lease qualifies as a supply of services or goods for VAT purposes. In order to prevent an adverse outcome, the establishment and acquisition of ground leases should be carefully considered.

The transfer of real estate is generally exempt from VAT in the Netherlands, unless the transfer concerns newly developed real estate, such as construction sites and (part of) buildings including the surrounding terrain, prior to, on or within a period of two years after the moment of first use of the buildings concerned. Should a transfer of newly developed real estate indeed be subject to VAT, an exemption generally applies for RETT, but not always. Under certain circumstances, the renovation of real estate can be to such an extent that it can be deemed newly developed real estate.

In the event of an asset transaction, such as an acquisition of real estate, where a so-called 'totality of goods' is acquired, the acquisition may be considered as a non-taxable transfer for Dutch VAT purposes. As VAT is assessed on the basis of the tax payers own assessment the application of such exemption may not be recognized by the tax authorities.

The occurrence of any of these factors could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

## **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 range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

### ***Risks applicable to all Notes***

***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 is likely to limit the market value of Notes. 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.

***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 converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the 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 in such circumstances, the fixed rate may be lower than then prevailing market rates.

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

The Issuer may from time to time issue Notes under the Programme at a discount or premium to their principal amount. The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal 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.

### ***Risks applicable to certain types of Exempt Notes***

***There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Exempt Notes and may lose some or all of the principal amount invested by it.***

The Issuer may issue Exempt Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Exempt Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Exempt Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Exempt Notes may be volatile;

- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (v) if a Relevant Factor is applied to Exempt Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Exempt Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Exempt Notes linked to a Relevant Factor and the suitability of such Exempt Notes in light of its particular circumstances.

***Where Exempt Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.***

The Issuer may issue Exempt Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Exempt Notes could result in such investor losing all of his investment.

***Exempt Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities.***

Exempt Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

***Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes.***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Exempt Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Exempt Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Exempt Notes.

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

Set out below is a description of material 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 of the Notes 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 of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, 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 the Noteholders that any 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 any Notes in place of the Issuer, in the circumstances described in Condition 16.

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

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. 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.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and 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 plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination 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 would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, 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 or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination 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.

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

Set out below is a description of material 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 for the Notes 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 greater price volatility than conventional debt securities.

***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. 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 (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) 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.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***Any credit ratings assigned to the Issuer, the Programme or any Notes may not reflect all the risks associated with an investment in those Notes.***

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Programme 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 is set out on the cover of this Offering Circular.

## DOCUMENTS INCORPORATED BY REFERENCE

The relevant pages of the following documents (which have previously been published and have been filed with the Central Bank of Ireland) that are included in the cross-reference list below shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2015 (the **2015 Financial Statements**) of the Issuer including the information set out at the following pages in particular:

Consolidated Statement of Comprehensive Income	pages 48 - 49
Consolidated Statement of Financial Position	pages 50 - 51
Consolidated Statement of Changes in Equity	pages 52 - 53
Consolidated Statement of Cash Flows	pages 54 - 55
Notes	pages 56 - 86
Independent Auditor's Report	pages 46 - 47
Board of Directors' Report	pages 2 - 45

- (b) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2016 (the **2016 Financial Statements**) of the Issuer including the information set out at the following pages in particular:

Consolidated Statement of Comprehensive Income	pages 72 - 73
Consolidated Statement of Financial Position	pages 74 - 75
Consolidated Statement of Changes in Equity	pages 76 - 77
Consolidated Statement of Cash Flows	pages 78 - 79
Notes	pages 80 - 114
Independent Auditor's Report	pages 68 - 71
EPRA Performance Measures	Pages 60 to 65
Board of Directors' Report	pages 2 - 59

- (c) the interim consolidated financial statements for the six months ended 30 June 2017 (the **Q2 Financial Statements**) of the Issuer including the information set out at the following pages in particular:

Interim Consolidated Statement of Comprehensive Income	pages 70 – 71
Interim Consolidated Statement of Financial Position	pages 72 – 73



Interim Consolidated Statement of Changes in Equity	pages 74 – 75
Interim Consolidated Statement of Cash Flows	pages 76 – 77
Condensed Notes	pages 78 - 95
Board of Directors' Report	pages 2 - 69

- (d) the Terms and Conditions of the Notes contained in previous Offering Circular dated 10 March 2017, pages 81 to 120 (inclusive) prepared by the Issuer in connection with the Programme.

Following the publication of this Offering Circular, supplements may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer, and from the specified office of the Paying Agent for the time being in London, England. Copies of the Financial Statements will be available for viewing on website of the Issuer (<http://aroundtownholdings.com/downloads.html>) and copies of the other document incorporated by reference will be available for viewing on the website of the ISE ([http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_853dc695-a54d-4cdb-a01d-1cfb5c9e94af.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_853dc695-a54d-4cdb-a01d-1cfb5c9e94af.pdf)).

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.

The Issuer will, 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, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

### **Alternative Performance Measures**

The Issuer presents certain non-IFRS financial information in this Offering Circular, including information in the Board of Directors' Reports to the Q2 Financial Statements, the 2015 Financial Statements and the 2016 Financial Statements, all of which have been incorporated by reference into this Offering Circular. These non-IFRS financial information are not recognized as measures under IFRS. The Issuer however, uses this financial information because it believes that they are of use for its investors. According to the ESMA guidelines on Alternative Performance Measures (APMs), the Issuer considers the following information presented in this Offering Circular as APMs: Adjusted EBITDA (earnings before interest, tax, depreciation and amortization excluding capital gains and revaluations and disposal gain), FFO I (funds from operations), Net Financial Debt (total financial debt less cash and liquid assets), LTV (loan-to value ratio), EPRA NAV (net asset value pursuant to the European Public Real Estate Association) and EPRA NNNAV (triple net asset value pursuant to the European Public Real Estate Association). All APMs used by the Issuer relate to its or the Group's past performance. The Issuer believes that these measures are useful in evaluating the Group's operative performance, the net value of the Group's portfolio, and the level of indebtedness and of cashflows generated by the Group's business, because a number of companies, in particular in the real estate sector, also publish these figures. For a reconciliation of certain of the APMs referred to above, their components as well as their basis of calculation see the following pages of the Q2 Financial Statements and the 2016 Financial Statements incorporated by reference to this Offering Circular:

Q2 Financial Statements

Page 57 (Adjusted EBITDA)

Page 58 (FFO I)

Page 62 (Net Financial Debt)

Page 63 (LTV)

Page 64 (EPRA NAV)

2016 Financial Statements

Page 63 (EPRA NNNAV)

## FORM OF THE NOTES

### Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note** and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer 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 Bearer Note is represented by a Temporary Bearer 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 Bearer Global Note if the Temporary Bearer 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 the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may

be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. 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, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying 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 Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

### **Registered Notes**

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a common depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure (the NSS), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate/ whether or not such Registered Global Notes are intended to be held

in a manner which would allow Eurosystem eligibility. Any indication that the Registered 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 time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either by Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (each as defined in Condition 6.5) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.5) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the Issuer is given to the Trustee. 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, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar 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 Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

## **General**

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder, Receiptholder 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.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, other than where such Notes are Exempt Notes, a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes[, from 1 January 2018]<sup>1</sup>, are not intended to be offered, sold or otherwise made available to and[, with effect from such date,] 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 (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**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 Directive 2003/71/EC (as amended, 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.]<sup>2</sup>

## **APPLICABLE FINAL TERMS**

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

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not Exempt Notes and which have a denomination of €100,000 (or its equivalent in any other currency) or more issued under the Programme.*

[Date]

**Aroundtown SA**  
*Société Anonyme*  
1, Avenue du Bois  
L-1251 Luxembourg  
R.C.S. Luxembourg: B217868

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €2,600,000,000  
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 Conditions set forth in the Offering Circular dated 6 October 2017 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] 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 Central Bank of Ireland, [www.centralbank.ie](http://www.centralbank.ie).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to*

<sup>1</sup> This date reference should not be included in Final Terms for offers concluded on or after 1 January 2018.

<sup>2</sup> Legend to be included on front of the Final Terms (i) for offers concluded on or after 1 January 2018 if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable” (ii) for offers concluded before 1 January 2018 at the option of the parties.

*include information which is no longer permitted in final terms. Where the final terms documenting the further issue would need to include such information, it will not be possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date] [and the supplement to it dated [date]] which are incorporated by reference in the Offering Circular dated [current date]. 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 [current date] [and the supplement[s] to it dated [date] [and [date]]] 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 Central Bank of Ireland, [www.centralbank.ie](http://www.centralbank.ie).

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

1. Issuer: [ ]
  
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about [date]][Not Applicable]
  
3. Specified Currency or Currencies: [ ]
  
4. Aggregate Nominal Amount:
- (a) Series: [ ]
- (b) Tranche: [ ]
  
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
  
6. (a) Specified Denominations: [ ]

*(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*



*(Note – where Bearer multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:*

*"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.")*

- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [     ]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [     ]
- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [*specify month and year*]*
9. Interest Basis: [[     ] per cent. Fixed Rate]  
 [[     ] month LIBOR/EURIBOR +/- [     ] per cent. Floating Rate]  
 [Zero coupon]  
 (see paragraph [14]/[15]/[16])
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11. Change of Interest Basis: [*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 15 below and identify there*][Not Applicable]
12. Put/Call Options: [Investor Put]  
 [Merger Put]  
 [Change of Control Put]  
 [Issuer Call]  
 [Make-Whole Redemption]  
 [(see paragraph [18]/[19]/[20]/[21]/[22] below)]  
 [Not Applicable]
13. Date [Board] approval for issuance of Notes obtained: [     ]

*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date  
*(Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[ ] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ] [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): [ ]

- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (f) Screen Rate Determination:
- Reference Rate: [ ] month LIBOR/EURIBOR
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (g) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]  
*(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (h) Linear Interpolation: Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (i) Margin(s): [+/-] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
 Actual/365 (Fixed)  
 Actual/365 (Sterling)  
 Actual/360  
 [30/360][360/360][Bond Basis]  
 [30E/360][Eurobond Basis]

30E/360 (ISDA)]

16. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Day Count Fraction in relation to [30/360]  
Early Redemption Amounts: [Actual/360]  
[Actual/365]

#### PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 7.2– Minimum period: [30] days  
*Redemption for taxation reasons:* Maximum period: [60] days
18. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [[ ] per Calculation Amount]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (d) Notice periods: Minimum period: [15] days  
Maximum period: [30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)*
19. Make-whole Redemption by the Issuer: [Applicable/Not Applicable]
- (i) Make-whole Redemption Date(s): [ ]
- (ii) Make-whole Redemption Margin: [[ ] basis points/Not Applicable]
- (iii) Reference Bond: [CA Selected Bond/[ ]]
- (iv) Quotation Time: [5.00 p.m. [Brussels/London/[ ]] time/Not Applicable]
- (v) Reference Rate Determination Date: [The [ ] Business Day preceding the relevant

- Make-whole Redemption Date/Not Applicable]
- (vi) If redeemable in part:
- (a) Minimum Redemption Amount: [     ]
- (b) Maximum Redemption Amount: [     ]
20. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [     ]
- (b) Optional Redemption Amount: [     ] per Calculation Amount
- (NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)*
- (c) Notice periods: Minimum period: [15] days  
Maximum period: [30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)*
21. Merger Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- Merger Redemption Amount: [     ] per Calculation Amount
22. Change of Control Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- Change of Control Redemption Amount: [     ] per Calculation Amount
23. Final Redemption Amount: [     ] per Calculation Amount
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [     ] per Calculation Amount  
*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

(a) Form:

[Bearer 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/at any time at the request of the Issuer]]

*(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000." 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.)*

[Registered Notes:

[Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

(b) New Global Note:

[Yes][No]

26. Additional Financial Centre(s):

[Not Applicable/give details]

*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) relates)*

27. Talons for future Coupons to be attached to Definitive Notes:

[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

Signed on behalf of Aroundtown SA

By: .....

*Duly authorised*

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) 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 official list of the Irish Stock Exchange with effect from [ ].]

*(Where documenting a fungible issue, disclosure should indicate that the original Notes are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] [have not been] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally:]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 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. - Amend as appropriate if there are other interests]

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)*

### 4. YIELD (Fixed Rate Notes only)

- 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.

### 5. OPERATIONAL INFORMATION

- (i) ISIN: [ ]



- (ii) Common Code: [     ]
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [     ]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes which are to be held under the NSS]* 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.]/
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper]*[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then 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.]]

## 6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: [     ]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]

- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (vii) Prohibition of Sales to EEA Retail Investors [Applicable/Not Applicable]
- (If the offer of the Notes is concluded prior to 1 January 2018, or on or after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes[, from 1 January 2018]<sup>3</sup>, are not intended to be offered, sold or otherwise made available to and[, with effect from such date,] 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 (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**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 Directive 2003/71/EC (as amended, 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.]<sup>4</sup>

## **APPLICABLE PRICING SUPPLEMENT**

### **EXEMPT NOTES OF ANY DENOMINATION**

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW.**

[Date]

**Aroundtown SA**  
*Société Anonyme*  
1, Avenue du Bois  
L-1251 Luxembourg  
R.C.S. Luxembourg: B217868

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €2,600,000,000  
Euro Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 6 October 2017 [as supplemented by the supplement[s] dated [date[s]]] (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular may be obtained from [address].

<sup>3</sup> This date reference should not be included in Pricing Supplements for offers concluded on or after 1 January 2018.

<sup>4</sup> Legend to be included on front of the Pricing Supplement (i) for offers concluded on or after 1 January 2018 if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable” (ii) for offers concluded before 1 January 2018 at the option of the parties.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular [dated [original date] [and the supplement dated [date]] which are incorporated by reference in the Offering Circular].<sup>5</sup>

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*

1. Issuer: [ ]
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [identify earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 27 below, which is expected to occur on or about [date]][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
  - (a) Series: [ ]
  - (b) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [ ]
 

*(N.B. If Exempt Notes with a denomination below EUR 100,000 are sold in the secondary markets to persons which do not qualify as qualified investors, the Issuer may breach the prohibition to attract, receive or hold repayable funds (article 3:5 NFSA). The Issuer may in such situation qualify as a bank under the NFSA for which a bank license will be required.)*
- (b) Calculation Amount (in relation to calculation of interest in global form [ ]

<sup>5</sup> Only include this language where it is a fungible issue and the original Tranche was issued under an Offering Circular with a different date.

see Conditions):

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

7. (a) Issue Date: [      ]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Specify date or for  
Floating Rate Notes - Interest Payment Date falling  
in or nearest to [specify month and year]]
9. Interest Basis: [[      ] per cent. Fixed Rate]  
[[specify Reference Rate] +/- [      ] per cent.  
Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]
11. Change of Interest Basis or  
Redemption/Payment Basis: [Specify details of any provision for change of Notes  
into another Interest Basis or Redemption/Payment  
Basis][Not Applicable]
12. Put/Call Options: [Investor Put]  
[Merger Put]  
[Change of Control Put]  
[Issuer Call]  
[Make-Whole Redemption]  
[(further particulars specified below)]
13. [Date [Board] approval for issuance of Notes  
obtained: [      ] and [      ], respectively]  
  
*(N.B. Only relevant where Board (or similar)  
authorisation is required for the particular tranche  
of Notes)*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining*

*subparagraphs of this paragraph)*

- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
  - (b) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date  
(Amend appropriately in the case of irregular coupons)
  - (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [ ] per Calculation Amount
  - (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
  - (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/specify other]
  - (f) [Determination Date(s): [[ ] in each year][Not Applicable]  
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
  - (g) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
  - (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]] [Not Applicable]
  - (c) Additional Business Centre(s): [ ]
  - (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]

- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (f) Screen Rate Determination:
- Reference Rate: [ ] month [LIBOR/EURIBOR/specify other Reference Rate] (Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.)
  - Interest Determination Date(s): [ ] (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
  - Relevant Screen Page: [ ] (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ] (In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (h) Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)
- (i) Margin(s): [+/-] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
[30/360][360/360][Bond Basis]  
[30E/360][Eurobond Basis]  
30E/360 (ISDA)

- [Other]
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: [ ]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360]  
[Actual/360]  
[Actual/365]
17. Index Linked Interest Note [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent [give name]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): [ ]
- (h) Minimum Rate of Interest: [ ] per cent. per annum



- (i) Maximum Rate of Interest: [ ] per cent. per annum
- (j) Day Count Fraction: [ ]
18. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

#### PROVISIONS RELATING TO REDEMPTION

19. Notice periods for Condition 7.2 Minimum period: [30] days  
Maximum period: [60] days
20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (d) Notice periods: Minimum period: [15] days  
Maximum period: [30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements)*

*which may apply, for example, as between the Issuer and the Agent or Trustee.)*

21. Make-whole Redemption by the Issuer: [Applicable/Not Applicable]
- (vii) Make-whole Redemption Date(s): [ ]
- (viii) Make-whole Redemption Margin: [[ ] basis points/Not Applicable]
- (ix) Reference Bond: [CA Selected Bond/[ ]]
- (x) Quotation Time: [5.00 p.m. [Brussels/London/[ ]] time/Not Applicable]
- (xi) Reference Rate Determination Date: [The [ ] Business Day preceding the relevant Make-whole Redemption Date/Not Applicable]
- (xii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]
22. Investor Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) Notice periods: Minimum period: [15] days  
Maximum period: [30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee.)*
23. Merger Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Merger Redemption Amount: [ ] per Calculation Amount
24. Change of Control Put: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Change of Control Redemption Amount: [ ] per Calculation Amount

25. Final Redemption Amount: ☐ per Calculation Amount/*specify other/see Appendix*
26. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required]): ☐ per Calculation Amount/*specify other/see Appendix*  
*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:
- (a) Form: ☐ Bearer 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/at any time at the request of the Issuer]]
- ☐ [Registered Notes:
- ☐ [Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]
- (b) New Global Note: ☐ [Yes][No]
28. Additional Financial Centre(s): ☐ [Not Applicable/*give details*]  
*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 15(c) and 17(g) relate)*
29. Talons for future Coupons to be attached to Definitive Notes: ☐ [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

30. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. [Not Applicable/give details. *N.B. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
31. Details relating to Instalment Notes: [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Instalment Amount(s): [give details]
- (b) Instalment Date(s): [give details]
32. Other terms or special conditions: [Not Applicable/give details]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[*Relevant third party information*] has been extracted from [*specify source*]. 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 [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Aroundtown SA:

By: .....

*Duly authorised*

By: .....

*Duly authorised*

## PART B – OTHER INFORMATION

1. **LISTING**

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [     ] with effect from [     ].] [Not Applicable]
2. **RATINGS**

Ratings:
 

[The Notes to be issued [[have been]/[are expected to be]] [have not been] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].  
*(The above disclosure is only required if the ratings of the Notes are different to those stated in the Offering Circular)*
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers named below/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. – *Amend as appropriate if there are other interests*]
4. **OPERATIONAL INFORMATION**
  - (i) ISIN: [     ]
  - (ii) Common Code: [     ]
  - (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
  - (iv) Delivery: Delivery [against/free of] payment
  - (v) Names and addresses of additional Paying Agent(s) (if any): [     ]
  - (vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*] 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.]/

[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for Registered Notes]*. Note that this does not necessarily mean that the Notes will then 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.]

## 5. DISTRIBUTION

- |       |  |   |
|-------|--|---|
| (i)   | Method of distribution:                      | [Syndicated/Non-syndicated]   |
| (ii)  | If syndicated, names of Managers:            | [Not Applicable/ <i>give names</i> ]  |
| (iii) | Stabilisation Manager(s) (if any):           | [Not Applicable/ <i>give name</i> ]   |
| (iv)  | If non-syndicated, name of relevant Dealer:  | [Not Applicable/ <i>give name</i> ]   |
| (v)   | U.S. Selling Restrictions:                   | [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]  |
| (vi)  | Prohibition of Sales to EEA Retail Investors | [Applicable/Not Applicable]<br><br><i>(If the offer of the Notes is concluded prior to 1 January 2018, or on or after that date the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)</i> |
| (vii) | Additional selling restrictions:             | [Not Applicable/ <i>give details</i> ]<br><i>(Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes)</i>  |

## 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 (as defined below) 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 Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. 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" for a description of the content of Final Terms which will 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 Aroundtown SA (the **Issuer**) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 6 October 2017 made between the Issuer and Prudential Trustee Company 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:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 6 October 2017 and made between the Issuer, the Trustee, The Bank of New York Mellon, acting through its London branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon (Luxembourg) S.A. as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Registrar, the Paying Agents, and other Transfer Agents together referred to as the **Agents**.

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 which complete these Terms and Conditions (the **Conditions**) or, if this Note is a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. 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. Any reference in

the Conditions to **applicable Final Terms** shall be deemed to include a reference to applicable Pricing Supplement where relevant. When used in the Offering Circular, the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer 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. Exempt Notes in definitive bearer form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), 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 (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange the applicable Final Terms will be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders 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 applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement 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 or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (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 and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.



Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

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

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note 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 Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 and the Agents 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 Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any 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.

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.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

### **2.2 Transfers of Registered Notes in definitive form**

Subject as provided in paragraphs 2.3 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe. Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### **2.3 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### **2.4 Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 3. STATUS OF THE NOTES

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

### 4. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding the Issuer will not create or have outstanding any Security Interest (other than a Permitted Security Interest) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (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 and the Trust Deed are secured by the 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 (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

**Equity Share Capital** means, in relation to any entity, its issued share capital excluding any part of that capital which, in respect of dividends and capital, does not carry any right to participate beyond a specific amount in a distribution;

**Permitted Security Interest** means:

- (c) any Security Interest of a company existing at the time that such company is merged into, or consolidated with or acquired by, the Issuer or any other member of the Group (as the case may be), provided that such Security Interest was not created in contemplation of, and the principal amount secured has not increased in contemplation of or since, such merger, consolidation or acquisition;
- (d) any Security Interest existing on any property or assets prior to the acquisition thereof by the Issuer or any other member of the Group (as the case may be), provided that such Security Interest was not created in contemplation of, and the principal amount secured has not increased in contemplation of or since, such acquisition;
- (e) any Security Interest granted by the Issuer or any other member of the Group in connection with a Securitisation or Project Financing; or
- (f) any renewal of or substitution for any Security Interest permitted by any of subparagraphs (a) to (c) (inclusive) of this definition, provided that with respect to any such Security Interest (i) the principal amount secured has not increased and (ii) the Security Interest has not been extended to any additional assets;

**Project Finance Company** means a special purpose company whose sole business comprises a Project and the ownership, maintenance, improvement, operation and exploitation of the assets of that Project;

**Project Financing** means any financing of all or part of the costs of the acquisition, construction or development of any assets (a **Project**), provided that (i) any Security Interest created by the Issuer or any other member of the Group in connection therewith is limited solely to such assets or the share capital of a Project Finance Company relating to that Project, and (ii) the documentation in respect of such financing provides for recourse to be limited to the assets financed and the revenues (including insurance proceeds) derived from such assets as the principal source of repayment for the money borrowed;

**Relevant Indebtedness** means any indebtedness (whether being principal, interest or other amounts), in the form of or evidenced by notes, bonds (including, without limitation, the Notes), debentures or other similar debt instruments (to the extent not Equity Share Capital), whether issued for cash or in whole or in part for a consideration other than cash, and which are, with the consent of the Issuer, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market;

**Securitisation** means any securitisation of existing or future assets and/or revenues, provided that (i) any Security Interest given in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; and (ii) recourse in respect of such securitisation is limited to the assets and/or revenues so securitised as the principal source of repayment for the money advanced; and

**Security Interest** means any mortgage, pledge, lien, charge, assignment, or security interest or any other agreement or arrangement having a similar effect.

## **5. INTEREST**

### **5.1 Interest on Fixed Rate Notes**

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. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity 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 in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the 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, if they are Partly Paid Notes, the aggregate amount paid up); 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 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.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

- (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 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 a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

**Determination Period** means each 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, one cent.

## 5.2 Interest on Floating Rate Notes

### (a) 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:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) 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. In these Conditions, **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.

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:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) 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 (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) 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
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is:

- (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 London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;

- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (c) 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 Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**(b) 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.

**(i) 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 (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **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.

**(ii) 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:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate (**LIBOR**) or the Euro-zone interbank offered rate (**EURIBOR**), as specified in the applicable Final Terms) 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 at 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 plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

**(c) Minimum Rate of Interest and/or Maximum Rate of Interest**

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 (b) 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 (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

**(d) Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying 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 Principal Paying 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:

- (i) 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, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable 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.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" 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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) 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/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) 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:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first day of the Interest Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**D<sub>1</sub>** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) 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:

$Y_1$  is the year, expressed as a number, in which the first day of the Interest Period falls;

$Y_2$  is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$M_1$  is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$M_2$  is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$D_1$  is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case  $D_1$  will be 30; and

$D_2$  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  $D_2$  will be 30;

- (vii) 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:

$Y_1$  is the year, expressed as a number, in which the first day of the Interest Period falls;

$Y_2$  is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$M_1$  is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$M_2$  is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$D_1$  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  $D_1$  will be 30; and

$D_2$  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  $D_2$  will be 30.

**(e) Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the 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 were the period of time for which rates are available next shorter than the length of the relevant Interest

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 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 Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

**Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

**(f) Notification of Rate of Interest and Interest Amounts**

The Principal Paying 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 and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 15 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 promptly be 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 a Sunday) on which banks and foreign exchange markets are open for general business in London.

**(g) Determination or Calculation by Trustee**

If for any reason at any relevant time the Principal Paying Agent defaults in its obligation to determine the Rate of Interest or in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above, as the case may be, and in each case in accordance with paragraph (d) and (e) above, 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 Principal Paying Agent.

**(h) 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 5.2 by the Principal Paying Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Trustee in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

**5.3 Exempt Notes**

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other

than LIBOR or EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 5.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

#### **5.4 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 until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

### **6. PAYMENTS**

#### **6.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or 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 Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro 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 U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

#### **6.2 Presentation of definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the

case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer 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 bearer form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 6.4 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 bearer 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 or Long Maturity Note in definitive bearer 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 Bearer Note is not an Interest Payment Date, interest (if any) accrued 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 Bearer Note.

### **6.3 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer 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 outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

### **6.4 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the

final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive bearer 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.

## 6.5 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

## 6.6 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 Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, 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 provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) 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 U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) 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 U.S. dollars; and
- (c) such payment is then permitted under United States and other applicable law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## 6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt 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:

- (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:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation;
  - (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
  - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; 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 Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **6.8 Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.9); and
- (g) 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 the 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 under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## **7. REDEMPTION AND PURCHASE**

### **7.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### **7.2 Redemption for tax reasons**

Subject to Condition 7.9, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,



provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the 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, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.9 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **7.3 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may at its sole discretion, having given not less than the minimum period nor more than the maximum period of notice specified in 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 and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (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 definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption.

### **7.4 Redemption at the option of the Issuer (Make whole)**

If Make-Whole Redemption is specified as being applicable in the applicable Final Terms, the Issuer may at its sole discretion, having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-whole Redemption Date**)), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Make-whole Redemption Date and at the Make-whole Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Make-whole Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the 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 Euroclear and/or Clearstream, Luxembourg (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, on a Selection Date not more than 30 days prior to the Make-whole Redemption 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 15 days prior to the Make-whole Redemption Date. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the Make-whole Redemption Date pursuant to this Condition 7.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

In this Condition 7.4, **Make-whole Redemption Amount** means:

(A) the outstanding principal amount of the relevant Note or (B) if higher, the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Make-whole Redemption Date on an annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Reference Rate plus the Make-whole Redemption Margin specified in the applicable Final Terms, where:

**CA Selected Bond** means a government security or securities (which, if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

**Calculation Agent** means a leading investment, merchant or commercial bank appointed by the relevant Issuer for the purposes of calculating the Make-whole Redemption Amount, and notified to the Noteholders in accordance with Condition 15;

**Reference Bond** means (A) if CA Selected Bond is specified in the applicable Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Final Terms, the security specified in the applicable Final Terms, provided that if the Calculation Agent advises the Issuer that, for reasons of illiquidity or otherwise, the relevant security specified is not appropriate for such purpose, such other central bank or government security as the Calculation Agent may, with the advice of Reference Market Makers, determined to be appropriate;

**Reference Bond Price** means (i) the average of five Reference Market Maker Quotations for the relevant Make-whole Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

**Reference Market Maker Quotations** means, with respect to each Reference Market Maker and any Make-whole Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at the Quotation Time specified in the applicable Final Terms on the Reference Rate Determination Day specified in the applicable Final Terms;

**Reference Market Makers** means five brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the relevant Issuer; and

**Reference Rate** means, with respect to any Make-whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Make-whole Redemption Date. The Reference Rate will be calculated on the Reference Rate Determination Day specified in the applicable Final Terms.

## **7.5 Redemption at the option of the Noteholders (Investor Put) (other than a Change of Control Put or a Merger Put)**

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 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar 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 or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be 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 Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.5.

## **7.6 Merger Put**

If (a) Merger Put is specified as being applicable in the applicable Final Terms and (b) at any time while this Note remains outstanding, a Merger occurs (a **Merger Put Event**), the holder of each Note will have the option (the **Merger Put Option**) (unless, prior to the giving of the Merger Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 7.2) to require the Issuer to redeem or, at the Issuer's option, to purchase or procure the

purchase of this Note on the Merger Redemption Date (as defined below), at the Merger Redemption Amount together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to (but excluding) the Merger Redemption Date.

Promptly upon the Issuer becoming aware that a Merger Put Event has occurred, the Issuer shall, and upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, give notice (a **Merger Put Event Notice**) to the Noteholders in accordance with Condition 15 specifying the nature of the Merger Put Event, the circumstances giving rise to it and the procedure for exercising the Merger Put Option.

To exercise the Merger Put Option:

- (a) 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 (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Merger Put Period**) of 30 days after that on which the Merger Put Event Notice is given, 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 or, as the case may be, the Registrar (a **Merger Put Exercise Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Merger Put Exercise Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Merger Put Exercise Notice, be held to its order or under its control, and all unmatured Coupons and Talons (if any) relating thereto shall be dealt with as per the provisions of Condition 6.2; and
- (b) if this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, the holder of this Note must, within the Merger Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such holder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as applicable, from time to time.

The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the Notes in respect of which the Merger Put Option has been validly exercised on the Merger Redemption Date.

Any Merger Put Exercise Notice or other notice given in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as applicable, given by a holder of any Note pursuant to this Condition 7.6 shall be irrevocable except (i) with the prior consent of the Issuer or (ii) where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has accelerated the Notes, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Merger Put Exercise Notice or such other notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 10.

The Trustee is under no obligation to ascertain whether a Merger Put Event or Merger or any event which could lead to the occurrence of or could constitute a Merger Put Event or Merger 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 Merger Put Event or Merger or other such event has occurred.

For the purposes of this Condition 7.6:

- (a) A **Merger** means an operation under the laws of Luxembourg and/or other applicable law whereby the Issuer is acquired by another existing company (the absorbing company) or by a new company and the Issuer is, as a result of the merger, dissolved without going into liquidation (and includes, for the avoidance of doubt, a domestic Luxembourg merger and a cross-border merger);
- (b) **Merger Period** means the period (i) commencing on the date of the first public announcement of the relevant Merger, and (ii) ending on the date which is 90 days after the date on which the relevant Merger occurs; and
- (c) **Merger Redemption Date** means the tenth day after the date of expiry of the Merger Put Period.

## 7.7 Change of Control Put

If (a) Change of Control Put is specified as being applicable in the applicable Final Terms and (b) at any time while this Note remains outstanding, a Change of Control occurs (a **Change of Control Put Event**), the holder of each Note will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 7.2) to require the Issuer to redeem or, at the Issuer's option, to purchase or procure the purchase of this Note on the Change of Control Redemption Date (as defined below), at the Change of Control Redemption Amount together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to (but excluding) the Change of Control Redemption Date.

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, give notice (a **Change of Control Put Event Notice**) to the Noteholders in accordance with Condition 15 specifying the nature of the Change of Control Put Event, the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option:

- (a) 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 (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Change of Control Put Period**) of 30 days after that on which the Change of Control Put Event Notice is given, 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 or, as the case may be, the Registrar (a **Change of Control Put Exercise Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Change of Control Put Exercise Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Change of Control Put Exercise

Notice, be held to its order or under its control, and all unmatured Coupons and Talons (if any) relating thereto shall be dealt with as per the provisions of Condition 6.2; and

- (b) if this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such holder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as applicable, from time to time.

The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the Notes in respect of which the Change of Control Put Option has been validly exercised on the Change of Control Redemption Date.

Any Change of Control Put Exercise Notice or other notice given in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as applicable, given by a holder of any Note pursuant to this Condition 7.7 shall be irrevocable except (i) with the prior consent of the Issuer or (ii) where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has accelerated the Notes, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Exercise Notice or such other notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 10.

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.

For the purposes of this Condition 7.7:

- (a) A **Change of Control** shall be deemed to have occurred when a person or persons (in each case, other than Avisco Limited and/or Avisco Group Limited and/or Gabrilet Limited and/or persons that are, directly or indirectly, Controlled by them, individually or jointly) acting in concert or any person or persons acting on behalf of any such person(s) (the **Relevant Person(s)**) directly or indirectly acquire Control of the Issuer;
- (b) **Change of Control Period** means the period (i) commencing on the date of the first public announcement of the relevant Change of Control, and (ii) ending on the date which is 90 days after the date on which the relevant Change of Control occurs;
- (c) **Change of Control Redemption Date** means the tenth day after the date of expiry of the Change of Control Put Period; and
- (d) **Control** means: (i) the acquisition or control of more than 50 per cent. of the voting rights of the Issuer; or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer's Board of Directors or other governing body of the Issuer, in each case whether obtained directly or indirectly and whether obtained by the ownership of share capital, the possession of voting rights, by contract, trust or otherwise, and **Controlled** shall be construed accordingly.

## 7.8 Clean Up Call

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to Conditions 7.5, 7.6 and/or 7.7 or purchased, the Issuer may, having given not less than 30 days' notice to the Noteholders in accordance with Condition 15, redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at their principal amount together with interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption (which, if this Note is not a Floating Rate Note, shall not be more than 60 days after the date of the notice and, if this Note is a Floating Rate Note, shall be the first Interest Payment Date which occurs after the date which falls 30 days after the date of the notice).

## 7.9 Early Redemption Amounts

For the purpose of Condition 7.2 above and Condition 10:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

**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 be either (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).

## 7.10 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 7.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption

Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

#### **7.11 Purchases**

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, 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 and/or the Registrar for cancellation.

#### **7.12 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.11 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

#### **7.13 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 Condition 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7 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 Condition 7.9(b) 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 payable were replaced by references to the date which is the earlier of:

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

### **8. TAXATION**

All payments of principal and interest in respect of the Notes, Receipts 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 imposed or levied by or on behalf of any Tax Jurisdiction 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, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in Luxembourg; or



- (b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (c) 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 an 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 6.7).

As used herein:

- (i) **Tax Jurisdiction** means Luxembourg or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) 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 Trustee or the Principal Paying Agent or the Registrar, as the case may be, 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 (whether in bearer or registered form), Receipts 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) 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 6.2 or any Talon which would be void pursuant to Condition 6.2.

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 51 per cent. in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution 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 any of the events described in paragraphs (b), (d), (e), (i) and (j) inclusive below, 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 in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) default is made in the payment of any principal or any interest when due in respect of the Notes or any of them and the default continues for a period of 30 days;
- (b) the Issuer does not perform or comply with any one or more of its other obligations under the Conditions or the Trust Deed and such default is incapable of remedy or, if (in the opinion of the Trustee) capable of remedy, is not (in the opinion of the Trustee) remedied within 90 days after the Issuer shall have received from the Trustee written notice of such default;

- (c) if: (i) any Indebtedness of the Issuer becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer for any Indebtedness is enforced; or (iv) default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness of any other person;
- (d) if: (i) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any substantial part of the assets of the Issuer and is not discharged or stayed within 120 consecutive days or such longer period as may be permitted by the Trustee in its sole discretion; or (ii) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer;
- (e) any step is taken to enforce any Security Interest, present or future, created or assumed by the Issuer (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager, judicial manager or other similar person) and such step is not stayed within 120 consecutive days;
- (f) bankruptcy, insolvency, voluntary or judicial liquidation, reprieve from payment, controlled management, general settlement or composition with creditors, examinership, reorganisation or similar Luxembourg or foreign laws proceedings affecting the rights of creditors generally are opened against the Issuer and remain unstayed in effect for a period of 120 consecutive days and/or any receiver, liquidator, auditor or verifier is appointed in respect of the Issuer and is not discharged within 120 days of such appointment;
- (g) the Issuer admits its inability to pay its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law;
- (h) an order is made or a resolution is passed for the winding-up or dissolution of the Issuer, or the Issuer has passed a special resolution to have itself wound up or has made an announcement or issued a notice to that effect, or the Issuer ceases or publicly announces an intention to cease to carry on all or substantially all of its business or operations, except in any such case: (i) as a result of a Permitted Cessation of Business; or (ii) for the purpose of and followed by a solvent reconstruction, amalgamation, reorganisation, merger or consolidation; or (iii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested the Issuer or another Subsidiary (as the case may be);
- (i) a final judgment or judgments for the payment of money are rendered against the Issuer and which judgments are not, within 120 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 90 days after the expiration of such stay; or
- (j) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs,

provided that, in the case of paragraphs (c) to (j) above, no such event shall constitute an Event of Default unless the amount of the relevant default, either alone or when aggregated with other amounts of default relative to all (if any) other such events referred to in such paragraphs which shall have occurred (such amounts, in each case, if not in euro, converted into euro at the Prevailing Rate on the date of the occurrence of the relevant Event of Default), shall be equal to, or more than 10 per cent. of the Portfolio Value.

For the avoidance of doubt, the right to declare the Notes due and repayable in accordance with this Condition 10 shall terminate if the event giving rise to the right ceases to fulfil the requirements of this Condition before the right is exercised.

## **10.2 Enforcement**

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, the Receipts 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, the Receipts or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 51 per cent. in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder 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.

## **11. COVENANTS BY THE ISSUER**

### **11.1 Indebtedness / Assets**

The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, up to (and including) the Final Discharge Date, incur any Indebtedness (other than any Refinancing Indebtedness) if, immediately after giving effect to the incurrence of such additional Indebtedness and the application of the net proceeds of such incurrence, the sum of:

- (a) (i) the Consolidated Indebtedness (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date would exceed 60 per cent. of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; (ii) the value of all assets acquired or contracted for acquisition by the Group, as determined at the relevant time in accordance with IFRS and the accounting principles applied by the Issuer in the latest Financial Statements as certified by the auditors of the Issuer, since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness); and
- (b) (i) the Consolidated Secured Indebtedness (excluding the Secured Notes (if any) and less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Secured Indebtedness (excluding the Secured Notes (if any) and less Cash and Cash Equivalents) incurred since the Last Reporting Date would exceed 45 per cent. of the sum of (without duplication): (i) the Total Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; (ii) the value of all assets acquired or contracted for acquisition by the Group, as determined at the relevant time in accordance with IFRS and the accounting principles applied by the Issuer in the latest Financial Statements as certified by the auditors of the Issuer, since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Real Estate Property or to reduce Indebtedness).

### **11.2 Unencumbered Assets / Unsecured Indebtedness**

The Issuer undertakes that the sum of: (i) the Unencumbered Assets (less Cash and Cash Equivalents) as at the Last Reporting Date; and (ii) the Net Unencumbered Assets (less Cash and

Cash Equivalents) newly recorded since the Last Reporting Date will at no time be less than 125 per cent. of the sum of: (i) the Unsecured Indebtedness (less Cash and Cash Equivalents) at the Last Reporting Date; and (ii) the Net Unsecured Indebtedness (less Cash and Cash Equivalents) incurred since the Last Reporting Date.

### **11.3 Restriction on Ceasing Business**

The Issuer will not, and will not permit any Subsidiary (excluding any Listed Entity) (the **Restricted Subsidiaries**) to cease to, or formally announce its intention to cease to, carry on its real estate business, except (i) as a result of a Permitted Cessation of Business; or (ii) for the purpose of and followed by a solvent reconstruction, amalgamation, reorganisation, merger or consolidation; or (iii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary (as the case may be).

### **11.4 Consolidated Coverage Ratio**

Up to and including the Final Discharge Date, the Issuer undertakes that, on each Reporting Date, the Consolidated Coverage Ratio will be at least 1.8.

### **11.5 Publication of Financial Statements**

Up to and including the Final Discharge Date, the Issuer shall post on its website:

- (a) within 120 days after the end of each of the Issuer's fiscal years, annual reports containing the following information:
  - (i) audited consolidated financial statements prepared in accordance with IFRS; and
  - (ii) the audit report of the independent auditors on the consolidated financial statements; and
- (b) within 75 days after the end of the first six months in each fiscal year of the Issuer, consolidated interim financial statements prepared in accordance with IFRS.

### **11.6 Certificate to the Trustee**

The Issuer has undertaken in the Trust Deed to deliver to the Trustee on an annual basis a certificate signed by two directors of the Issuer, as to there not having occurred an Event of Default or Potential Event of Default (as defined in the Trust Deed) since the date of the last such certificate or if such event has occurred as to the details of such event. The Trustee will be entitled to rely without liability on such certificate and shall not be obliged independently to monitor whether an Event of Default or Potential Event of Default has occurred or monitor compliance by the Issuer with the undertakings set forth in this Condition 11, nor be liable to any person for not so doing.

Any certificate addressed to the Trustee by two directors of the Issuer as to the amounts of any defined term or figure in Conditions 11.1, 11.2, 11.4 and 11.5 may, in the absence of manifest error, be relied upon by the Trustee (without liability to any person for so relying) and, if so relied upon, shall be conclusive and binding on the Issuer and the Noteholders.

### **11.7 Newco Scheme**

In the event of a Newco Scheme, the Issuer undertakes to take (or shall procure that there is taken) all necessary action to ensure that (to the satisfaction of the Trustee) immediately after completion of the Newco Scheme:

- (a) at its option either Newco is substituted under the Notes and the Trust Deed as principal obligor in place of the Issuer (with the Issuer providing a guarantee), subject to and as provided in the Trust Deed, or Newco becomes a guarantor under the Notes and the Trust Deed and such amendments are made to these Conditions and the Trust Deed as are necessary, in the opinion of the Trustee to give effect to such changes (and the Trustee shall (at the expense of the Issuer) be obliged to concur in effecting such substitution or grant of such guarantee and in either case making any such amendments, provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose new or more onerous duties or obligations upon it or expose it to further liabilities or reduce its protections); and
- (b) the Trust Deed and the Conditions (including, without limitation, the Events of Default (in Condition 10)) provide at least the same protections and benefits to the Trustee and the Noteholders following the implementation of such Newco Scheme as they provided to the Trustee and the Noteholders prior to the implementation of the Newco Scheme, *mutatis mutandis*.

## **12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) 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, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **13. AGENTS**

The initial Agents are set out above. 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 entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6. 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.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship

of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

#### **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 any 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 Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer 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 date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-quarter in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), 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, Receiptholders 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, Receiptholders 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, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already

provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, 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 Receipts, the Coupons and the Trust Deed of another company, being (i) a Subsidiary of the Issuer; or (ii) any Successor in Business, in each case, subject to (i) the Notes being or remaining, as the case may be, unconditionally and irrevocably guaranteed by the Issuer, (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (iii) certain other conditions set out in the Trust Deed being complied with.

In connection with a Newco Scheme, at the request of the Issuer, the Trustee shall, without the requirement for any consent or approval of the Noteholders, concur in the substitution of Newco in place of the Issuer (or any previous substituted company) as principal debtor under the Trust Deed and the Notes, pursuant to and subject to the provisions set out in Condition 11.7.

The provisions of articles 86 to 94-8 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended, are excluded.

#### **17. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

#### **18. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

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

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



## **20. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **20.1 Governing law**

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

The provisions of articles 86 to 94-8 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended, are excluded.

### **20.2 Submission to jurisdiction**

- (a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders, Receiptholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders 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.

### **20.3 Appointment of Process Agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

### **20.4 Other documents**

The Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

## **21. DEFINITIONS**

For the purposes of the Conditions:

**Cash** means cash in hand;

**Cash Equivalents** means short-term, liquid investments and traded securities;

**Consolidated Adjusted EBITDA** means the number set out under the heading "EBITDA (adjusted)" in the Financial Statements;

**Consolidated Coverage Ratio** means the ratio of (A) the aggregate amount of Consolidated Adjusted EBITDA in the Relevant Period to (B) the aggregate amount of Net Cash Interest in the Relevant Period;

**Consolidated Indebtedness** means Indebtedness of the Group, as set out in the Financial Statements;

**Consolidated Secured Indebtedness** means that portion of the Consolidated Indebtedness that is secured by any Security Interest, as set out in the Financial Statements;

**Existing Shareholders** means the holders of ordinary shares in the Issuer immediately prior to the Scheme of Arrangement;

**Group** means the Issuer, each Related Company and each Subsidiary taken as a whole and **member of the Group** shall be construed accordingly;

**Final Discharge Date** means the date on which all present and future obligations and liabilities (whether actual or contingent) of the Issuer to the Trustee and the Noteholders under or in respect of the Notes and the Trust Deed have been discharged;

**Financial Statements** means the annual audited consolidated financial statements (including the management report) of the Issuer or the consolidated interim financial statements (including the management report) of the Issuer, in each case as published by the Issuer as at the Last Reporting Date and prepared in accordance with IFRS;

**Indebtedness** means (without duplication) any indebtedness (whether being principal, interest or other amounts but excluding any indebtedness owed to another member of the Group) for or in respect of: (a) money borrowed; (b) liabilities under or in respect of any acceptance or acceptance credit; or (c) any notes, bonds, debentures, debenture stock, loan stock or other securities (to the extent not Share Capital) offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

**Last Reporting Date** means the most recent Reporting Date;

**Listed Entity** means Grand City Properties S.A., Primecity Investment plc or any member of the Group, from time to time, that has any securities trading on an EEA market or on such other internationally recognised, regularly operating, stock exchange or securities market;

**Net Cash Interest** means all interest accrued to be paid to persons who are not members of the Group less the amount of any interest accrued to be received from persons who are not members of the Group, in each case, excluding any one-off financing charges (including, without limitation, any one-off fees and/or break costs and/or early redemption costs and/or issuance costs) as set out in the Financial Statements;

**Net Indebtedness** means the Indebtedness incurred minus the amount of Indebtedness repaid;

**Net Secured Indebtedness** means the Secured Indebtedness incurred minus the amount of Secured Indebtedness repaid;

**Net Unencumbered Assets** means the value of any Real Estate Property not subject to any Security Interest acquired or contracted for acquisition plus the value of all other assets not subject to any Security Interest acquired or contracted for acquisition minus the value of such assets which: (i) have been disposed of; or (ii) have become subject to a Security Interest, with the value of any such Real Estate Property or other assets in each such case to be determined at the relevant time in accordance with IFRS and the accounting principles applied by the Issuer in the latest Financial Statements as certified by auditors of the Issuer;

**Net Unsecured Indebtedness** means the Unsecured Indebtedness incurred minus the Unsecured Indebtedness repaid;

**Newco** means a newly incorporated limited liability company;

**Newco Scheme** means a scheme of arrangement or any other transaction (each, a **Scheme of Arrangement**):

- (a) which effects the interposition of a Newco between the Existing Shareholders and the Issuer; and
- (b) in respect of which the Issuer and the Trustee agree, with effect immediately after the implementation of such Scheme of Arrangement, (a) at the Issuer's option, either to the substitution of Newco in place of the Issuer as principal obligor (with a guarantee from the Issuer) or to the provision of a guarantee from Newco and (b) to make such amendments to these Conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that the Trust Deed and these Conditions (including, without limitation, the Events of Default (in Condition 10)) provide at least the same protections and benefits to the Trustee and the Noteholders following the implementation of such Scheme of Arrangement as they provided to the Trustee and the Noteholders prior to the implementation of the Scheme of Arrangement, *mutatis mutandis*, all subject to and in accordance with Condition 11.7,

PROVIDED THAT:

- (i) only ordinary shares of Newco or depositary or other receipts or certificates representing ordinary shares of Newco are issued to Existing Shareholders;
- (ii) immediately after completion of the Scheme of Arrangement the only shareholders of ordinary shares of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco, are Existing Shareholders in the same proportions as such Existing Shareholders held ordinary shares immediately prior to the Scheme of Arrangement;
- (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned subsidiaries of Newco are) the only ordinary shareholder (or shareholders) of the Issuer;
- (iv) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary) are Subsidiaries of the Issuer (or subsidiaries of Newco) immediately after completion of the Scheme of Arrangement;
- (v) immediately after completion of the Scheme of Arrangement, the Issuer (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and Equity Share Capital of those Subsidiaries as was held by the Issuer immediately prior to the Scheme of Arrangement; and

(vi) any and all applicable company and securities laws are complied with;

**Permitted Cessation of Business** means, in the case of a Successor in Business, the Issuer ensuring the substitution of such Successor in Business as principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed in place of the Issuer in accordance with Condition 16 and the Trust Deed;

**Portfolio Value** means the value of the consolidated total assets of the Issuer, its Subsidiaries and any Related Company, as such amount appears in the latest Financial Statements;

**Real Estate Property** means the real estate property and any shares in real estate holding companies held directly or indirectly by the Group

**Refinancing** means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease, retire, amend, restate, modify, supplement or replace, including the issue of other Indebtedness in exchange or replacement for, such Indebtedness, and **Refinance** and **Refinanced** shall be construed accordingly;

**Refinancing Indebtedness** means Indebtedness incurred (whether in a single financing or one or more separate financings) to Refinance any amount or amounts of existing Indebtedness of the Group as at the relevant date, provided that:

- (c) such Refinancing Indebtedness has an aggregate principal amount that is equal to or less than the aggregate principal amount of the Indebtedness being Refinanced; and
- (d) if the Indebtedness being Refinanced is subordinated in right of payment to the obligations of the Issuer in respect of the Notes, such Refinancing Indebtedness is subordinated in right of payment to such obligations at least to the same extent as the Indebtedness being Refinanced;

**Related Company** means any company in which the Issuer holds, directly or indirectly, no more than 50 per cent. of the share capital or the Voting Rights in respect of such company;

**Relevant Period** means, for the purposes of Condition 11.4, the most recent four consecutive quarters ending prior to the date of determination of the Consolidated Coverage Ratio;

**Reporting Date** means an accounts date for which the annual audited consolidated financial statements (including the management report) of the Issuer or the consolidated interim financial statements (including the management report) of the Issuer, in each case, has have been published and prepared in accordance with IFRS;

**Secured Indebtedness** means that portion of the aggregate principal amount of all outstanding Indebtedness that is secured by any Security Interest on properties or other assets as set out in the Financial Statements;

**Secured Notes** means any secured notes issued by any member of the Group (whether currently issued or issued in the future) which have not been repaid in full;

**Share Capital** means, in relation to any entity, its issued share capital;

**Successor in Business** means:

- (a) any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation); or

(b) any sale or transfer of all, or substantially all, of the assets of the Issuer to another entity (whether by operation of law or otherwise);

**Subsidiary** means any company in which the Issuer holds directly or indirectly, through another Subsidiary, more than 50 per cent. of the share capital or Voting Rights;

**Total Assets** means the value of the consolidated total assets of the Group, as such amount appears in the latest Financial Statements, provided that Total Assets shall include the proceeds of the Indebtedness or Secured Indebtedness and Secured Notes to be incurred;

**Unencumbered Assets** means (without duplication): (i) the value of any Real Estate Property, on a consolidated basis determined in accordance with IFRS, of the Group that is not subject to any Security Interest; plus (ii) the value of all other assets of the Group that is not subject to any Security Interest (where in the case of both (i) and (ii), the values shall be equal to such amounts that appear in the latest Financial Statements);

**Unsecured Indebtedness** means that portion of the aggregate principal amount of all outstanding Indebtedness that is not Secured Indebtedness, as set out in the Financial Statements;

**Voting Rights** means the right generally to vote at a general meeting of shareholders of the Issuer, in respect of any person other than the Issuer the right generally to vote at a general meeting of the shareholders of that person (in each case, irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

### **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.

## DESCRIPTION OF THE ISSUER

### Formation, Incorporation, Registered Office, Commercial Name, Financial Year

The Issuer is a public limited liability company (*société anonyme*) duly governed by the laws of the Grand Duchy of Luxembourg (**Luxembourg**), in particular the Luxembourg law of 10 August 1915 on commercial companies, as amended, and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under the registration number B217868. The Issuer was founded on 7 May 2004 in Cyprus under the name Redspot Media Limited. The commercial name of the Issuer is Aroundtown. The duration of the Issuer is unlimited.

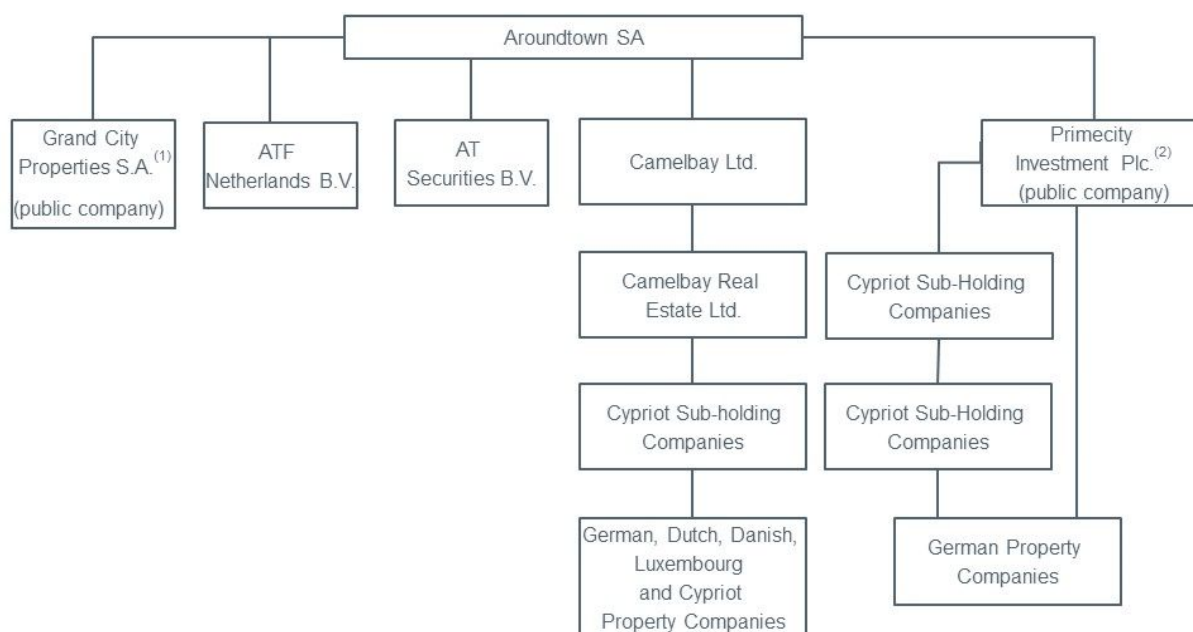
The address and registered office of the Issuer is at 1, Avenue du Bois, L-1251 Luxembourg. The telephone number of the Issuer's registered office is +352 285 7741.

### Group Structure

The Issuer is the parent company of Aroundtown, which consists of more than 300 companies and together with the Group consists of more than 800 companies. These companies are located primarily in Germany, Luxembourg, the Netherlands and Cyprus. The Issuer conducts its business through itself and through the other members of Aroundtown.

The Issuer's shares are admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange and are also admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) (ISIN: LU1673108939). The Issuer holds 98% of the shares in Primecity Investment PLC ("**PCI**"), which is listed on the Euronext Growth market segment of the Paris Euronext stock exchange (ISIN: CY0104972217). The Issuer also holds 36% of the shares in Grand City Properties S.A. ("**GCP**"), which is admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) (ISIN: LU0775917882).

The following diagram sets forth the structure of Aroundtown in a simplified form as of the date of this Offering Circular:



(1) The Issuer's 36% interest in GCP is held through its wholly owned subsidiary Edolaxia Group Limited, which is not shown in the diagram for simplification purposes. On 31 December 2014, GCP was deconsolidated from the Issuer's consolidated financial statements. The Issuer's interest in GCP is presented as investment in an equity-accounted investee. For more information, see page 32 in the 2015 Consolidated Financial Statements.

(2) The Issuer's interest in PCI is held through its fully-owned subsidiaries Alfortia Ltd. and Bluestyle Ltd., which are not shown in the diagram for simplification purposes.

### Business Overview

The Issuer is a specialist real estate company, with a focus on value-add and income generating properties primarily in the German and Dutch real estate markets. Aroundtown invests in commercial and residential real estate assets which benefit from strong fundamentals and growth prospects.

Operating with a fully integrated real estate value chain, Aroundtown targets cash generating properties with upside potential in terms of rental income and/or occupancy, lease and tenant structure, cost level optimization and consequential value. Through an intensive property operational repositioning, Aroundtown seeks to further improve the portfolio results, creating secure and strong cash flow generating characteristics and benefits from the internal growth potential. This enables the Issuer to create significant value in its portfolio.

### History

The Issuer and Aroundtown have been active in the German real estate market since 2004, and have built a diversified and growing real estate portfolio consisting primarily of commercial real estate in Germany and the Netherlands and the Issuer's indirect interest in the property portfolio of GCP based on the Issuer's 36% interest in GCP, a publicly traded specialist real estate company which invests in the German residential real



estate market. In October 2016, the Issuer announced that it intends, subject to market conditions, to increase its interest in GCP up to a 40% holding.

The Issuer was founded as a private limited liability company in Cyprus in May 2004 under the name Redspot Media Limited and changed its name to Aroundtown Property Holdings Limited in October 2004. In November 2014, the Issuer became a public limited liability company in Cyprus under the name Aroundtown Property Holdings plc. On 13 September 2017, the Issuer completed the transfer of its registered office and principal place of business from the Republic of Cyprus to the Grand Duchy of Luxembourg, without dissolution and with full corporate and legal continuance as a public limited liability company (*société anonyme*) under the name Aroundtown SA. The shares of the Issuer have been listed on the Paris Euronext stock exchange since June 2015 and are currently admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange and on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). The shares of PCI have been listed on the Paris Euronext stock exchange since October 2014 and are currently admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange. GCP's shares were included on the Open Market of the Frankfurt Stock Exchange in the Entry Standard segment in May 2012. In May 2017, GCP's shares were admitted to trading on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

In December 2015, S&P assigned the Issuer an investment grade long term corporate credit rating of "BBB-", and in June 2016, S&P upgraded the Issuer's credit rating to "BBB" with a stable outlook. In December 2016, S&P assigned the Issuer a short-term corporate credit rating of "A-2".

Since 2014, the Issuer has completed a number of capital markets transactions and raised over €4.4 billion, including gross proceeds from share capital increases and the issuance of perpetual notes, convertible bonds and straight bonds.

Since its listing on the Frankfurt Stock Exchange in 2012, GCP has successfully accessed the capital markets and issued shares and debt securities in an aggregate volume of €3.3 billion, including gross proceeds from share capital increases and the issuance of perpetual notes, convertible bonds and straight bonds.

### Recent Developments

In 2017, as of the date of this Offering Circular, Aroundtown has acquired approximately €2.3 billion of additional property through various transactions.

In August 2017, the programme size of the EMTN Programme was increased to EUR 2.6 billion.

In September 2017, the Issuer completed the transfer of its registered office and principal place of business from the Republic of Cyprus to the Grand Duchy of Luxembourg, without dissolution and with full corporate and legal continuance as a public limited liability company (*société anonyme*) under the name Aroundtown SA.

## **The Property Portfolio**

### Overview

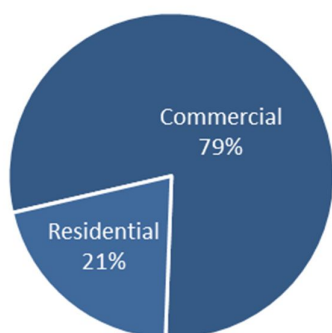
As at 30 June 2017, the Issuer assessed the total market value of its real estate portfolio at €7.4 billion (as compared to €5.0 billion as at 31 December 2016). As at 30 June 2017, and including signed deals, the Issuer assessed the total market value of its real estate portfolio at €7.8 billion (excluding assets held for sale (AHFS)). The increase since 31 December 2016 is based mainly on the acquisition of further properties.

As at 30 June 2017 and including signed deals, Aroundtown's portfolio includes 4.3 million square meters of office, hotel, logistics/wholesale, retail and other real estate primarily in large urban areas in Germany, such as Berlin, North Rhine Westphalia (NRW), Munich, Hamburg, Frankfurt, Hannover, Stuttgart and Dresden, as well as in Amsterdam, Rotterdam and Utrecht in the Netherlands.

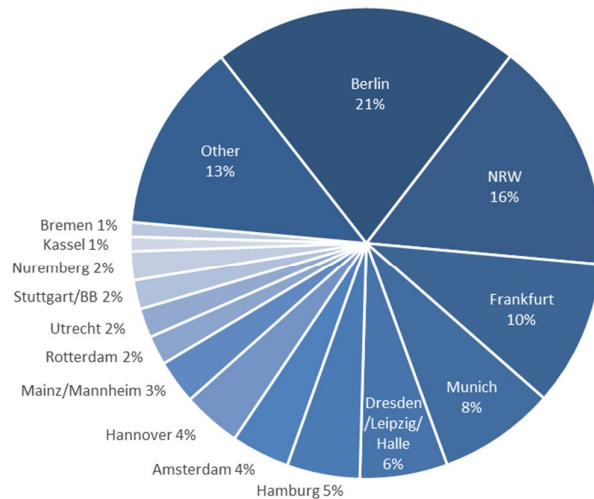
As of August 2017, GCP held approximately 87,000 units located in densely populated areas in Germany, such as NRW, Berlin, Dresden, Leipzig, Mannheim, Halle, Nuremberg, Munich, Mannheim, Frankfurt, Bremen, Hamburg and Hannover. As at August 2017, GCP assessed the total market value of its real estate portfolio at € 5.5 billion.

Unless otherwise indicated, the information presented in this Offering Circular regarding the property portfolio is based on the fair value assessment of the relevant properties as of the relevant date and includes, in addition to the Commercial Portfolio of Aroundtown, a proportional part of the property portfolio of GCP based on the Issuer's 36% interest in GCP. All information in this Offering Circular relating to GCP has been taken from information made publicly available by GCP. For more information regarding portfolio acquisitions, see "*Recent Developments*".

As of 30 June 2017, by value, 79% of the property portfolio consisted of Aroundtown's Commercial Portfolio and 21% of the property portfolio consisted of GCP's residential portfolio.



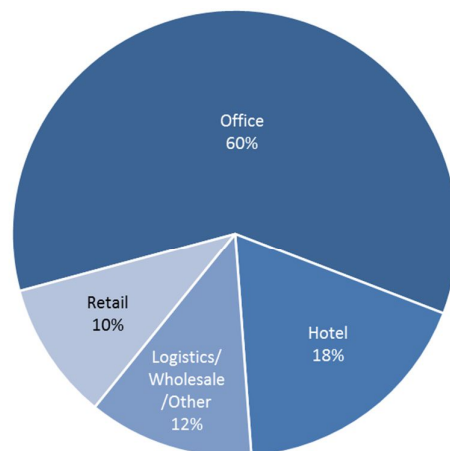
As of 30 June 2017, by value, 21 % of the combined portfolios were located in Berlin, 16 % in NRW, 10 % in Frankfurt, 8 % in Munich, 6 % in Dresden/Leipzig/Halle, 5 % in Hamburg, 4 % in Amsterdam and 4 % in Hannover, with the remainder in other locations.



As of 30 June 2017, the total average monthly in-place rent in the combined portfolios was €7.8 per square meter, and the EPRA Vacancy Rate was 8.0 % as of the same date. As of 30 June 2017 including signed deals, the total average monthly in-place rent of the combined portfolios was €7.8 per square meter and the EPRA Vacancy Rate was 8.5 %. As of 30 June 2017 including signed deals, the combined portfolios' estimated monthly annualised adjusted EBITDA run rate was €455 million.

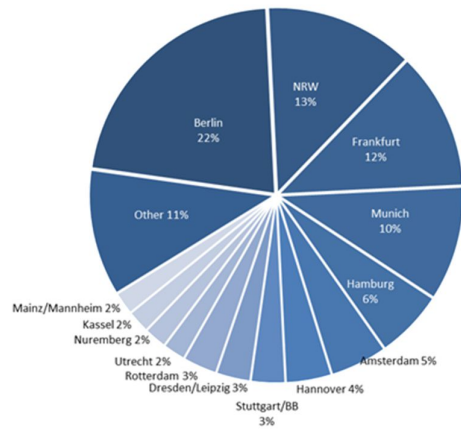
### Commercial Portfolio

The Commercial Portfolio consists primarily of office, hotel, logistics/wholesale and other properties. As of 30 June 2017, by value, Aroundtown's Commercial Portfolio consisted of 60 % office properties, 18 % hotel assets, 12 % logistics, wholesale and other use properties and 10 % retail space.

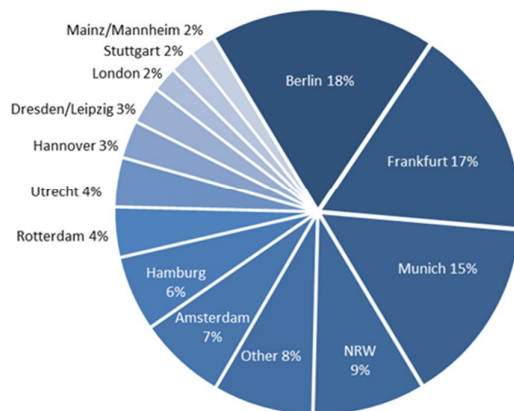


The Issuer believes that its Commercial Portfolio is geographically well distributed. As of 30 June 2017, by value, 22 % of the Commercial Portfolio was located in Berlin, 13 % in NRW, 12 % in Frankfurt, 10 % in Munich, 6 % in Hamburg, 5 % in Amsterdam and 4 % in Hannover, with the remainder in other locations. The tables below provide an overview of the geographical breakdown of the Commercial Portfolio, as well as a geographical breakdown of the office, hotel, logistics/wholesale/other and retail asset types in the Commercial Portfolio.

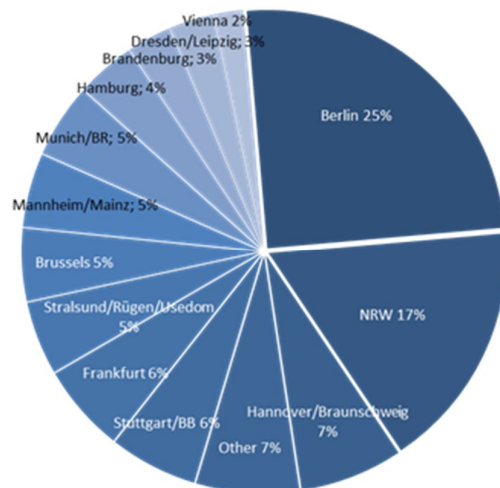
### Commercial Portfolio Geographical Breakdown by Value



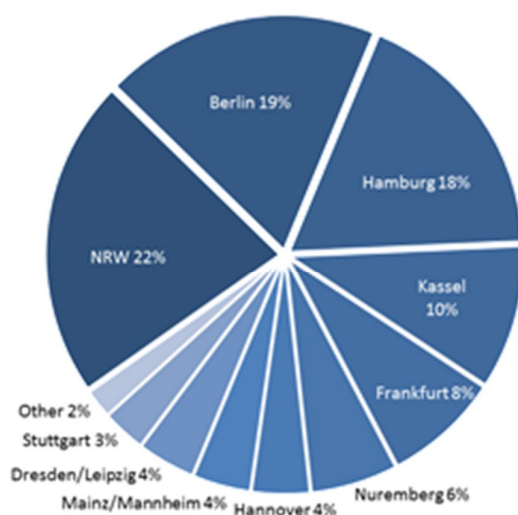
### Office Geographical Breakdown by Value



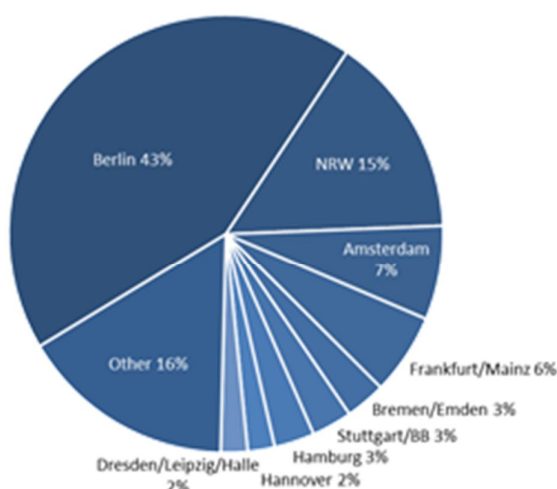
### Hotel Geographical Breakdown by Value



### Logistics/Wholesale/Other Geographical Breakdown by Value



### Retail Geographical Breakdown by Value



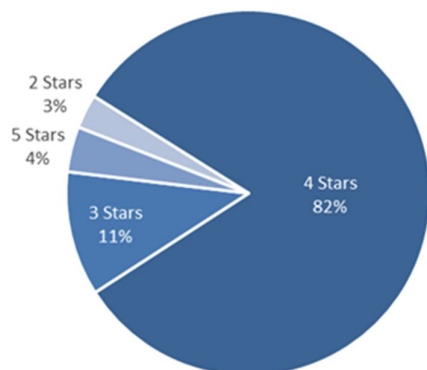
The Commercial Portfolio includes a comprehensive tenant base of over 2,500 tenants as of June 2017, which is diversified over a wide range of market sectors. Primary tenants in the Commercial Portfolio include Metro Group, HypoVereinsbank, Clifford Chance, Telekom, Allianz, Sheraton Arabella, Bol.com, De Persgroep, Jenoptik (ESW GmbH), Caterpillar and others. As of June 2017, including signed deals, the Commercial Portfolio generated an average monthly in-place rent of € 8.9 per square meter. The EPRA Vacancy Rate as of June 2017 including signed deals was 8.8 %. As of June 2017 including signed deals, the WALT of the Commercial Portfolio was approximately 7.2 years.

As of June 2017 including signed deals, the monthly annualised net rental income run rate for the Commercial Portfolio was € 435 million. The estimated FFO I run rate for the Commercial Portfolio as of June 2017 including signed deals was approximately € 249 million.

The Commercial Portfolio also includes hotel assets with a total value of € 1.4 billion as of 30 June 2017, consisting of 632 thousand square meters in key locations throughout Germany. Aroundtown's hotels are leased primarily on a long-term basis to third party commercial tenants.

The tenants of Aroundtown's hotel assets have entered into franchise agreements mainly with the following hotel brand franchisor enterprises: Wyndham, TRYP by Wyndham, Wyndham GARDEN, Days Inn, Swissôtel, ibis, Sheraton, Carlson REZIDOR, Radisson Blue, ACCOR, Mercure, Best Western, Holiday Inn, Steigenberger Hotel Group, Crowne Plaza, NH Hotel Group and Novum Group.

The majority of Aroundtown's hotel assets are categorized as “4 star” properties, which the Issuer believes allows them to meet the rising market demand for both business and leisure travel. Unless otherwise indicated, the figures in the chart below have been extracted from Aroundtown’s management information system.



The following tables provide a breakdown of the Commercial Portfolio by asset type and by region.

Commercial Portfolio Breakdown by Asset Type

**As of 30 June 2017 (including signed deals)**

	Investment properties	Rentable area	EPRA vacancy	Annualized net rent	In-place rent per sqm	Value per sqm	Rental yield
	(in millions of €)	(in 000' sqm)		(in millions of €)	(in €)	(in €)	
Office	4,451	1,935	10.0%	237	10.8	2,300	5.3%
Hotel	1,347	632	2.2%	72	10.3	2,132	5.4%
Logistics/Wholesale/Other	756	424	10.4%	51	10.5	1,783	6.8%
Retail	883	1,203	4.7%	51	4.3	863	5.8%
<b>Total June 2017</b>	<b>7,437</b>	<b>4,014</b>	<b>8.1%</b>	<b>411</b>	<b>9.0</b>	<b>1,853</b>	<b>5.5%</b>
<b>Total June 2017 including signed deals</b>	<b>7,800</b>	<b>4,300</b>	<b>8.8%</b>	<b>435</b>	<b>8.9</b>	<b>1,814</b>	<b>5.6%</b>

### Commercial Portfolio Breakdown by Region

**As of 30 June 2017 (including signed deals)**

	Investment properties	Rentable area	EPRA vacancy	Annualized net rent	In-place rent per sqm	Value per sqm	Rental yield
	(in millions of €)	(in 000' sqm)		(in millions of €)	(in €)	(in €)	
Berlin	1,613	658	8.2%	69	9.3	2,452	4.3%
NRW	937	767	7.5%	63	6.8	1,223	6.7%
Frankfurt	915	354	9.9%	45	11.2	2,581	4.9%
Munich	720	240	8.9%	31	10.9	2,996	4.3%
Hamburg	472	244	5.8%	22	8.0	1,939	4.6%
Amsterdam	351	133	8.1%	22	14.9	2,644	6.4%
Hannover	289	199	6.6%	18	7.9	1,448	6.2%
Stuttgart/BB	227	120	6.1%	14	10.4	1,891	6.2%
Dresden/Leipzig	205	123	11.1%	12	8.7	1,674	5.7%
Rotterdam	191	105	8.5%	16	13.6	1,816	8.5%
Utrecht	177	85	4.7%	13	12.2	2,068	7.6%
Other	1,340	986	8.8%	86	8.0	1,359	6.4%
<b>Total June 2017</b>	<b>7,437</b>	<b>4,014</b>	<b>8.1%</b>	<b>411</b>	<b>9.0</b>	<b>1,853</b>	<b>5.5%</b>
<b>Total June 2017 including signed deals</b>	<b>7,800</b>	<b>4,300</b>	<b>8.8%</b>	<b>435</b>	<b>8.9</b>	<b>1,814</b>	<b>5.6%</b>

### GCP residential portfolio

As 30 June 2017, GCP assessed the total market value of its real estate portfolio at € 5.4 billion (as compared to € 4.8 billion as at 31 December 2016). As of August 2017, GCP assessed the total market value of its real estate portfolio at € 5.5 billion.

The following table provides an overview on certain key information for the GCP's real estate portfolio as of 30 June 2017, as well as a portfolio summary as of August 2017. Unless otherwise indicated, the figures in the table have been extracted from GCP's website:

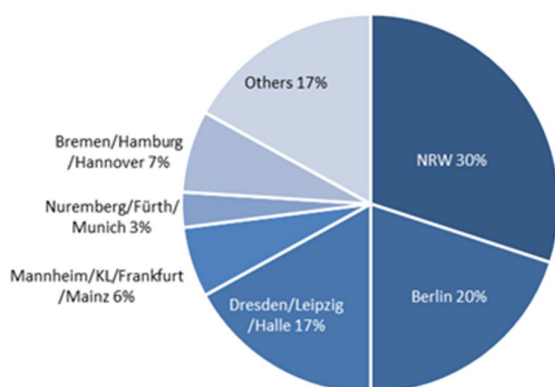
	Value (in € million)	Area (in thousand sqm)	EPRA vacancy	Annualized net rent (in € million)	In-place rent per sqm (in €)
NRW	1,643	1,861	8.0%	108	5.1
Berlin	1,077	536	5.2%	44	7.0
Dresden/Leipzig/Halle	904	1,133	9.1%	60	4.9
Mannheim/KL/Frankfurt/Mainz	293	243	4.1%	17	6.0
Nuremberg/Fürth/Munich	183	102	5.1%	9	7.6
Bremen/Hamburg/Hannover	381	332	5.5%	23	5.9
Others	944	1,226	8.1%	70	5.4
<b>Total June 2017</b>	<b>5,425</b>	<b>5,433</b>	<b>7.4%</b>	<b>331</b>	<b>5.45</b>
<b>Total August 2017</b>	<b>5,500</b>	<b>5,516</b>	<b>7.5%</b>	<b>338</b>	<b>5.5</b>

As of August 2017, GCP's property portfolio generated an average monthly in-place rent of € 5.5 per square meter, with an EPRA Vacancy Rate of 7.5 %. As of August 2017, the monthly annualised net rental income for GCP's property portfolio was € 388 million, and the monthly annualized FFO I for GCP's property portfolio was € 177 million.

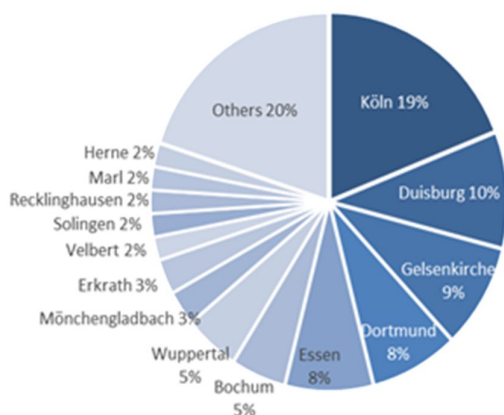
As of August 2017, the monthly annualised adjusted EBITDA of the GCP property portfolio was € 253 million.

### Regional distribution

GCP focuses on properties in densely populated areas in Germany. As of 30 June 2017, GCP's portfolio comprised 28,029 units situated in NRW, 6,934 units in Berlin, 19,921 units in Dresden, Leipzig and Halle, 3,981 units in Mannheim/Kaiserslautern, Frankfurt und Mainz, 1,471 units in Nuremberg, Fürth and Munich, 5,032 units in Bremen, Hamburg and Hannover and 20,467 units in other densely populated regions in Germany. The following chart shows GCP's real estate portfolio broken down by regions in percentages according to fair value:



As of 30 June 2017, GCP's portfolio comprised 28,029 units situated in NRW. The following chart shows the distribution of units within NRW in percentages according to fair value.



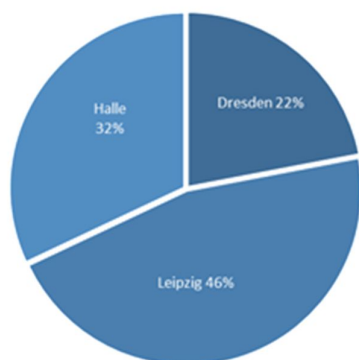


As of 30 June 2017, GCP's portfolio comprised 6,934 units situated in Berlin. The following table shows the distribution of units within Berlin.

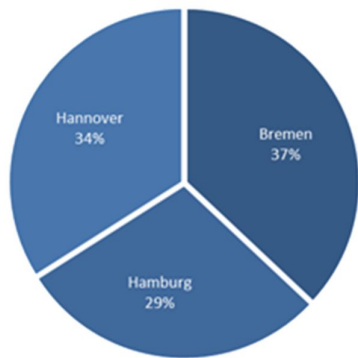


As of 30 June 2017, 68 % of the Berlin portfolio is located in top tier neighbourhoods such as Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Schönefeld, Steglitz and Potsdam. The remaining 32 % is well located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

As of 30 June 2017, GCP's portfolio comprised 19,921 units situated in the cities of Dresden, Leipzig and Halle. The following chart shows the distribution of units within Dresden, Leipzig and Halle in percentages according to fair value.



As of 30 June 2017, GCP's portfolio comprised 5,032 units situated in the cities of Bremen, Hamburg and Hannover. The following chart shows the distribution of units within Bremen, Hamburg and Hannover in percentages according to fair value.



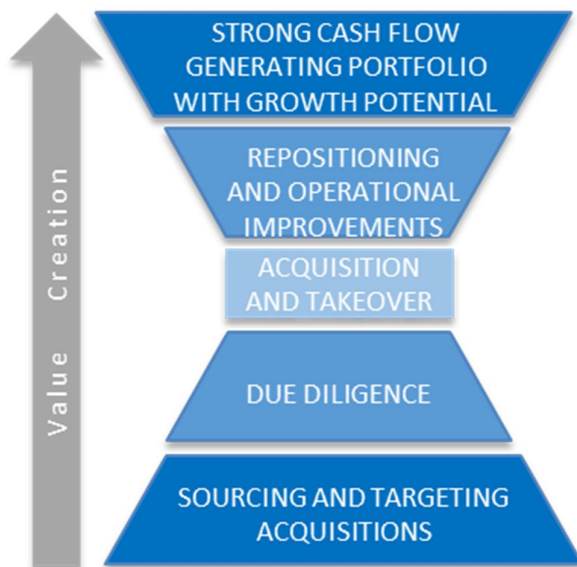
## Business Operations

### Overview

Aroundtown invests in commercial and residential real estate assets which it believes benefit from strong fundamentals and growth prospects. Aroundtown's focus is on major cities and metropolitan areas with positive demographic prospects. Aroundtown targets in particular cash generating properties with upside potential in terms of rental income and/or occupancy, lease and tenant structure, WALT, cost level optimization and resulting value.

Aroundtown manages the entire real estate value chain of its properties, across acquisition, letting, upkeep and refurbishment. Aroundtown believes that this integrated approach brings further efficiency benefits and a preferred landlord status to Aroundtown and fast response times to its tenants. While Aroundtown's portfolio management is centrally organised, Aroundtown's asset management, sales and marketing activities are organised locally to better capture regional demand and necessities.

The following chart provides an overview on the business model of Aroundtown, and the following sections describe each step of Aroundtown's business model in more detail:



### Sourcing and targeting acquisitions

Aroundtown focuses on value-add properties characterized primarily by below market rent levels and/or vacancy reduction potential. Aroundtown's property sourcing success stems from its wide network as well as its reputation as a reliable real estate acquisition partner. Aroundtown sources deals from a large and diverse deal sourcing base, such as receivers, banks, loan funds, broker networks, distressed owners, private and institutional investors and court auctions. With significant experience in the real estate markets since 2004, Aroundtown believes that it benefits from a preferred buyer status across its sourcing network. Aroundtown follows the following acquisition criteria:

- Upside potential through operational improvements
- Cash flow generating assets
- Vacancy reduction potential
- Rent levels per sqm below market levels (under-rented properties)
- Acquisitions located in densely populated areas and commercially attractive cities
- Purchase price below replacement cost and below market values
- Potential to reduce the cost per sqm significantly through operational improvements

Due to the broad experience and knowledge of its management, Aroundtown is able to consider different possible uses for properties that it acquires, including altering the property's primary use in order to target specific supply shortages in the marketplace. Given the complexity of reclassification projects and the necessity of cross-segment experience in order to complete them, Aroundtown believes that its business model provides it with a strong and sustainable competitive advantage.

### Due Diligence

After a potential property passes an initial screening, the property is further assessed in order to take into account the specific features of each project while ensuring that the acquisition is in line with Aroundtown's overall business strategy. Aroundtown believes that Aroundtown's experience in analysing properties with value creation potential, and in identifying both the potential risks and the upside potential of each property, results in fast, but thorough and reliable, screening procedures. During the due diligence phase, Aroundtown's construction team analyses potential capex requirements for the property. These are subsequently priced in the valuation process in order to provide a fair assessment of the property's value. A detailed business plan is created for each property in the due diligence phase, including an assessment of the portfolio fit and identification of possible tenants. Aroundtown believes that beginning to identify tenants prior to acquisition of the property not only decreases risk to Aroundtown but also accelerates the property takeover process. Further, possible rent increases and tenant restructuring are assessed in the due diligence process.

### Acquisition and takeover

Aroundtown follows a thorough cross-organizational process in the due diligence phase which facilitates an efficient takeover once a property is acquired. Because liquidity plays a significant role in the acquisition of value-add properties, Aroundtown benefits from its solid liquidity position and its ability to acquire properties with existing resources and refinance the acquisition at a later stage. Aroundtown also benefits from a strong and experienced centralized in-house legal department, which, combined with close and longstanding relationships with external law firms, enables Aroundtown to complete multiple deals simultaneously.

## Disposals

Aroundtown engages in disposals of properties which it considers as non-core properties or which in the Issuer's view have already realised their material potential.

## Repositioning and operational improvements

### Repositioning

The initial repositioning activities aim at minimizing the time until the profitability of the acquired properties is improved. Therefore, Aroundtown maps weaknesses and strengths of the property in the course of the due diligence phase and prepares a specific business plan for each property. The business plan input is integrated into Aroundtown's IT/software platform which enables the management to monitor all operational and financial parameters and to fully control the repositioning progress.

### Marketing

Aroundtown develops a rental and marketing strategy for every property to optimize its usage and to fit it to the demand and supply in the respective markets. Targeted marketing activities are implemented to increase occupancy and thereby rental income. Aroundtown conducts comprehensive vacancy analysis including usability studies and creates letting concepts of vacant spaces in order to attract a large pool of tenants. Market and benchmark analysis enables the management to closely track macro and micro developments and decision making. Various marketing channels are combined to cover the broadest market possible, including negotiations with existing tenants (business plans, perspective and development expectations), online data bases, advertising billboards, regional and nationwide brokerage, governmental data bases (local economic promotion) and e-commerce. Further, in order to optimize contract negotiations Aroundtown uses promotion incentives and offers adaptations to tenants' future plans.

Vacancy reduction initiatives are adjusted to the specific type of property at hand. As to its commercial properties Aroundtown focuses its marketing activities on its network of internal and external, as well as local and nationwide, letting brokers, on the offering of promotional features and on the building of a reputation in the market for high service standards. For Aroundtown's hotel assets, operators are selected for the asset and a fixed long-term lease contract entered into once the hotel is repositioned.

As to the residential properties GCP targets relationship building with potential tenants and the local community by collaborating with local governments, supporting community building projects and advertising on key real estate platforms.

### Lease management

Aroundtown conducts ongoing analysis regarding the WALT. Depending on factors such as market demand, gap to market rent or tenant structure Aroundtown either signs an extension of an individual lease contract in advance or lets the individual contract expire. Tenants are prospectively screened for credit worthiness (credit rating, business plan plausibility check, online screening) and tenant structure adaptability (competition protection and tenant type mix). Aroundtown carries out hands-on collection management and prepares monthly collection reports on an asset level and on a per-tenant basis. Thereby, Aroundtown aims to solve problems before they arise. Possibilities for rent increase and tenant restructuring which have been assessed in the due diligence process are executed according to the property's business plan or adjusted if needed.

### Operational improvements

All operational improvements Aroundtown initiates aim to increase the living quality or business environment for existing and future tenants and thereby to increase the demand for these repositioned properties. Once viable operational improvements have been identified, Aroundtown implements cost saving opportunities on a per unit basis, e.g. by making use of modern technologies such as consumption based

meters. Aroundtown believes that these efforts combined with cost savings achieved through vacancy reductions and economies of scale enable Aroundtown to benefit from a significant improvement of the cost base and therefore higher profitability.

### Tenant relationship management

Aroundtown emphasises strong relationships with its tenants to reduce tenant turnover rates and to predict and strengthen the tenant structure. Aroundtown aims to offer high quality services for both potential and existing tenants. Aroundtown pays strong attention to the industry in which its commercial tenants operate and to their individual success factors. Aroundtown also offers direct support to its tenants through add-on amenities for its rental properties such as parking facilities, space extensions to facilitate growth and smart space redesign to match modern office layouts. By providing the tenants with personal contact points to a local team, Aroundtown seeks to establish personal relationships between its property, the local teams and the tenants. The personal contact points allow Aroundtown to react promptly to problems and proactively prolonging existing contracts in order to optimize and secure long-term revenues. The local teams meet with the tenants on a regular basis. Aroundtown provides an open line of communication at all times and short reaction times to tenants' concerns to ensure short business interruptions. Tenant satisfaction is continuously analysed. Aroundtown believes that this localized one team contact point approach builds strong and long-term relationships with tenants.

With respect to its residential tenant base GCP regularly invests into community building projects such as playgrounds and community centres and provides a wide range of regional or centralized services including a service centre, which is available 24 hours a day and seven days a week.

### Construction

Aroundtown considers smart capex and conversion planning with scrutiny on execution to be vital for the maximization of a property's potential. Aroundtown addresses capex needs to keep the properties at high standards and addresses the requirements of its existing and prospective tenants. Already during the due diligence phase Aroundtown prepares a business plan, which addresses the potential volume of capex required e.g. for refurbishment. Moreover, capital intensive improvements are discussed in close coordination with committed tenants allowing an efficient and cost effective implementation of the investments. The carried out investments are monitored by Aroundtown's experienced construction team. The financial feasibility of the proposed alterations is balanced against the lease term, rental income and property acquisition cost and the capacity to bear quick returns over the investment period.

### Employees

As of September 2017, Aroundtown employed over 230 employees.

### Loan Agreements

The Group has entered into various loan agreements primarily for the purpose of financing the acquisition of properties in Aroundtown portfolio. As of 30 June 2017, Aroundtown's outstanding aggregate total bank loan amount was approximately €1.6 billion.

The Group's loan agreements typically bear interest at fixed rates or at rates based on EURIBOR plus a spread, and the interest rates may in certain cases be hedged. Undrawn amounts under Aroundtown's credit facilities may be subject to a commitment fee. The Group's loan agreements are typically secured by pledges of property, including pledges of rental proceeds, shares of the relevant holding companies, and operational bank accounts, and contain customary representations and warranties, undertakings and events of default with respect to real estate financing (which are in turn typically subject to certain agreed exceptions and materiality carve-outs). A number of Aroundtown's loan agreements provide the lender with the right to terminate the loan if the Issuer no longer directly or indirectly (i) controls the relevant borrowing entity or (ii) manages the relevant property.

## Corporate Purpose

The Issuer is a specialist real estate investment company which focuses on value-add properties primarily in the German and Dutch real estate markets. The objects for which the Issuer was established are set forth in article 4 of its articles of association (the "**Articles of Association**"). The Issuer's objects are (i) the acquisition, sale, administration, operation, letting or renting, in any form by any means, whether directly or indirectly, of any real estate assets in both the Grand Duchy of Luxembourg and abroad; (ii) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, shares, rights and interests in, and obligations of, Luxembourg and foreign companies or other assets including but not limited to real estate assets; (iii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, bonds, debentures, notes and other securities or financial instruments of any kind (including notes, shares or units issued by Luxembourg or foreign investment funds or similar undertakings) and receivables, claims or loans or other credit facilities and agreements or contracts relating thereto; (iv) the acquisition and holding of interests, directly or indirectly, in any form whatsoever, in any Luxembourg or foreign entities, by way of, among others, the subscription or the acquisition of any securities and/or rights through participation, contribution, underwriting, firm purchase or option, patents, service marks, trademarks licences and other commercial or intellectual property rights, negotiation or in any other way; and (v) the ownership, administration, development and management of a portfolio of assets or interests (including, among other things, the assets and interests referred to in (i) through (iv) above).

The Issuer may borrow in any form. It may obtain any form of credit facility. The Issuer may issue bonds, notes, promissory notes, perpetual notes, certificates, shares, beneficiary parts, options, warrants and other debt or equity instruments, convertible or not. It may use financial derivatives or raise funds by any other means. The Issuer may use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks. The Issuer may enter into, execute and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending or similar transactions.

The Issuer may also render any assistance, whether by means of financing, administration, marketing or any other kind of service, to its subsidiaries or companies in which it has a direct or indirect interest, even not substantial, and/or any company being a direct or indirect shareholder of the Issuer and/or any company belonging to the same group as the Issuer (the "**Connected Companies**"). A company shall be deemed to be part of the same group as the Issuer if such other company directly or indirectly owns, is owned by, is in control of, is controlled by, or is under common control with, or is controlled by a shareholder of, the Issuer, in each case whether beneficially or as trustee, guardian or as other fiduciary. A company shall be deemed to control another company if the controlling company possesses, directly or indirectly, all or substantially all of the share capital of the company or has the power to direct or cause the direction of the management or policies of the other company, whether through the ownership of voting securities, by contract or otherwise.

The Issuer may in particular: (i) lend funds including the proceeds of any borrowings or issues of securities to its Connected Companies; (ii) enter into any guarantee, pledge or any other form of security, whether by personal covenant or by mortgage or charge upon all or part of the undertaking, property assets (present or future) or by all or any of such methods, for the performance of any contracts or obligations of the Issuer and of any of the Connected Companies, or any director, manager or other agent of the Issuer or any of the Connected Companies, within the limits of any applicable law provision; (iii) subordinate its claims in favour of third parties to secure the obligations of any Connected Companies; and (iv) render administrative and marketing assistance to its Connected Companies.

In addition to the foregoing, the Issuer may perform all legal, commercial, technical and financial transactions and, in general, all transactions which are necessary or useful to fulfil its corporate object as well as all transactions directly or indirectly connected with its purpose or which may favour its development.

## Board of Directors and Other Bodies

### General

The Issuer is administered and managed by a board of directors (the "**Board of Directors**", and each member of the Board of Directors, a "**Director**"). The Board of Directors is vested with the broadest powers to take any actions necessary or useful to fulfil the corporate objects of the Issuer save for actions reserved to the general meeting of shareholders in accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**Companies Law**") or by the Articles of Association. The powers of the Board of Directors, except for such powers that are expressly reserved by the Companies Law or the Articles of Association to the Board of Directors, may be delegated by a resolution of the Board of Directors to a management committee (*comité de direction*), consisting of several managers who may or may not be Directors or shareholders of the Issuer, a managing executive director (*directeur general*) or a daily manager. The Board of Directors may determine the scope of such delegation at its discretion. The Board of Directors may also give special powers for specific matters to one or more proxyholders, whether Directors, shareholders, managers or not.

The Board of Directors may choose amongst the Directors a chairperson and also appoint a secretary who need not be a member of the Board of Directors.

Pursuant to the Companies Law as well as the Articles of Association, the minimum number of Directors shall be at least three whereas the general meeting may determine a higher or maximum number. The general meeting resolves on the remuneration of the Directors.

The Directors may be dismissed with or without any cause at any time and at the sole discretion of the general meeting of the Issuer's shareholders.

In the event of a vacancy in the office of a Director, such vacancy may be filled on a temporary basis and for a period not exceeding the initial mandate of the replaced director by the remaining directors until the next general meeting of shareholders.

### Members of the Board of Directors

The following table sets out information with respect to each of the members of the Board of Directors, including their positions within the Issuer as of the date of the Offering Circular.

<b>Name</b>	<b>Position</b>
Mr. Andrew Wallis	Director
Mr. Oschrie Massatschi	Director
Ms. Jelena Afxentiou	Director
Mr. Frank Roseen	Director
Mr. Markus Leininger	Independent Director
Mr. Markus Kreuter	Independent Director
Dr. Axel Froese	Independent Director

The business address of the Directors is at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg.

The members of the Board of Directors do not hold any positions in administrative, management or supervisory bodies outside Aroundtown which are significant with respect to the Issuer.

To the best knowledge of the Issuer, no potential conflicts of interest exist between any duties owed by the members of the Board of Directors to Aroundtown and the private interests and/or other duties of such persons.

The Issuer's most recent shareholders' extraordinary general meeting was held on 13 September 2017. The extraordinary general meeting approved the renewal of the mandate of Ms Jelena Afxentiou, Mr Andrew Wallis and Mr Oschrie Massatschi as directors and of Mr Markus Leininger as independent director and the appointment of three new members to the Board of Directors, namely Mr Frank Roseen, previously member of the advisory board, as director and Mr Markus Kreuter and Dr. Axel Froese, previously member of the advisory board, as independent directors.

The Issuer's most recent shareholders' annual general meeting held on 18 November 2016 resolved the distribution of a cash dividend in the amount of €0.051 per share, with a record date of 23 November 2016. The Issuer distributed the cash dividend in a gross aggregate amount of €34.5 million on 23 December 2016.

#### Senior Management

The following table sets out information with respect to the senior management of the Issuer, as of the date of the Offering Circular:

<b>Name</b>	<b>Internal Position</b>
Mr. Shmuel Mayo	Chief Executive Officer (CEO)
Mr. Eyal Ben David	Chief Financial Officer (CFO)

The main business address of the CEO and CFO is at Wittestraße 30, Haus F, 13509 Berlin, Germany.

The CEO and CFO do not hold any positions in administrative, management or supervisory bodies outside Aroundtown which are significant with respect to the Issuer. The CEO and the CFO have no statutory powers under any applicable laws or the Articles of Association.

To the best knowledge of the Issuer, no potential conflicts of interest exist between any duties owed by the CEO and CFO and the private interests and/or other duties of such persons.

#### Advisory Board

The Board of Directors of the Issuer has established an advisory board. The task of the advisory board is to provide expert advice and assistance to the Board of Directors. The Board of Directors decides on the composition, tasks and term of the advisory board as well as the appointment and dismissal of its members. The advisory board has no statutory powers under the Company Law or the Articles of Association of the Issuer, but applies rules which have been adopted by the Board of Directors. However, the Issuer considers the advisory board to be an important source of guidance for the Board of Directors when making strategic decisions. The current members of the advisory board are Mr. Yakir Gabay (Chairman) and Mr. Claudio Jarczyk.

#### Audit Committee

The Board of Directors has established an Audit Committee. The Board of Directors decides on the composition, tasks and term of the Audit Committee as well as the appointment and dismissal of its members. The responsibilities of the Audit Committee relate to the integrity of the financial statements, including reporting to the Board of Directors on its activities and the adequacy of internal systems controlling the financial reporting processes and monitoring the accounting processes. The Audit Committee



provides guidance to the Board of Directors on the auditing of the annual financial statements of the Issuer and, in particular, shall monitor the independence of the approved independent auditor, the additional services rendered by such auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement with the auditor. The current members of the Audit Committee are Mr. Markus Leininger (Chairman), Mr. Markus Kreuter and Dr. Axel Froese.

#### Risk Committee

The Board of Directors has established a Risk Committee for assisting and providing expert advice to the Board of Directors in fulfilling its oversight responsibilities, relating to the different types of risks, recommend a risk management structure including its organization and its process as well as assess and monitor effectiveness of the risk management. The Board of Directors decides on the composition, tasks and term of the Risk Committee and the appointment and dismissal of its members. The Risk Committee provides advice on actions of compliance, in particular by reviewing Aroundtown's procedures for detecting risk, the effectiveness of Aroundtown's risk management and internal control system and by assessing the scope and effectiveness of the systems established by the management to identify, assess and monitor risks. The current members of the Risk Committee are Mr. Andrew Wallis, Ms. Jelena Afxentiou, Mr. Markus Leininger, Mr. Markus Kreuter and Mr. Eyal Ben David.

#### Nomination Committee

The Board of Directors has established a Nomination Committee to identify suitable candidates for director positions and examine their skills and characteristics. The current members of the Nomination Committee are Mr. Markus Leininger, Mr. Markus Kreuter and Dr. Axel Froese.

#### Remuneration Committee

The Board of Directors has established a Remuneration Committee to determine and recommend to the Board the remuneration policy for the Chairman of the Board, the Executive Directors and Senior Management, including evaluation of short-term performance-related remuneration to senior executives. The current members of the Remuneration Committee are Mr. Markus Leininger, Mr. Markus Kreuter and Dr. Axel Froese.

#### Corporate Governance

As of the date of this Offering Circular, the Issuer is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions.

Nevertheless, the Issuer intends to voluntarily comply with the “Ten Principles of Corporate Governance of the Luxembourg Stock Exchange” and is currently evaluating the necessary measures to implement the principles and recommendations of the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange.

#### Share Capital

As of the date of this Offering Circular, the Issuer has a stated share capital in the amount of €8,726,064.20. The share capital is divided into 872,606,420 shares with a nominal value of €0.01 per share (the “**Shares**”). The share capital has been fully paid up. The Shares are in global form and deposited with BNP Securities Services Luxembourg as common depositary for Euroclear and Clearstream. Outstanding conversion rights under the Issuer’s outstanding convertible bonds may increase the share capital up to approximately 944,920,506 shares (based on the assumption that all outstanding convertible bonds were converted into shares of the Issuer at their respective current conversion prices).

The Issuer has an authorised capital. The authorised capital (including the subscribed capital) amounts to €20,000,000.00 (i.e. the corporate share capital of the Issuer may be increased by the Board of Directors

from its present amount up to €20,000,000.00 by the creation and issuance of new shares with a par value of €0.01 each).

The Issuer's shares are admitted to trading on the Euronext Growth market segment of the Paris Euronext stock exchange and on the regulated market of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) (ISIN: LU1673108939).

### Shareholding Structure

The table below sets out the information known to the Issuer with respect to the shareholding structure of the Issuer as at the date of this Offering Circular. The shareholdings may have changed since the date on which the Issuer obtained knowledge of the shareholding.

<u>Shareholder</u>	<u>Direct ownership of the Issuer in%</u>
Avisco Group Plc*	44
Free float	56
<b>Total</b>	<b>100</b>

\* The shareholdings of Avisco Group Plc are held through its wholly- and majority-owned subsidiaries, which have not been included in this table for simplification purposes.

Avisco Group Plc (the “**Principal Shareholder**”) holds or controls 44% of the voting rights of the Issuer. Depending on the level of shareholder attendance at the general meeting or extraordinary meetings of the Issuer’s shareholders, Avisco Group plc may be able to adopt and implement or prevent the adoption of resolutions which require a simple majority or even higher majorities solely through the exercise of its own votes in the Issuer. Furthermore, the Principal Shareholder may prevent a general meeting of the Issuer’s shareholders from adopting resolutions which require a qualified majority of the votes cast (see “*Risk Factors—Risks Relating to the Shareholding Structure of the Issuer—Avisco Group Plc is able to exercise significant influence over matters resolved by the Issuer’s general meeting of shareholders, and its interests may not always be aligned with the interests of other shareholders*”).

To the best knowledge of the Issuer, as at the date of this Offering Circular, there are no arrangements the operation of which may at a subsequent date result in a change of control in the Issuer.

### Dividend Policy

In May 2017, the Board of Directors resolved to increase the payout ratio under the dividend policy to 65% of the Issuer's annual funds from operations (**FFO I**) per share, which shall be distributed as annual dividends to the shareholders. The distribution of dividends is subject to a respective resolution of the shareholders' annual general meeting.

FFO I is a measure of Aroundtown's materialized bottom line operational profit, calculated by deducting current tax expenses and finance expenses from adjusted EBITDA.

The Issuer’s most recent shareholders’ annual general meeting held on 18 November 2016 resolved the distribution of a cash dividend in the amount of €0.051 per share, with a record date of 23 November 2016. The Issuer distributed the cash dividend in a gross aggregate amount of €34.5 million on 23 December 2016.

### Legal and Arbitration Proceedings

During the last twelve months, there have been no governmental, legal or arbitration proceedings brought against or affecting the Issuer, nor is the Issuer aware of any pending or threatened proceedings, which (in either case) may have or have had in the recent past significant effects on the Issuer and/or Aroundtown's financial position, profitability or results.

### Statutory Auditors

The statutory auditors are appointed by the general meeting of shareholders for holding office from the conclusion of such meeting until the conclusion of the next annual general meeting.

As of the date of this Offering Circular, KPMG Luxembourg, *société cooperative*, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg is appointed as approved independent auditor (*cabinet de révision agréé*). Its mandate will automatically expire at the annual general meeting of the Issuer to be held in 2018. KPMG Luxembourg is a member of the *Institut des Réviseurs d'Entreprises*. The previous statutory auditor of the Issuer was KPMG Limited, Certified Accountants and Registered Auditors, Millenium Lion House, P.O. Box 40075, 6300 Larnaca, Cyprus.

The 2016 Consolidated Financial Statements and the 2015 Consolidated Financial Statements of the Issuer have been audited by KPMG Limited, which provided an unqualified auditor's report for each of these financial statements.

### Credit Rating

The Issuer is assigned a "BBB" rating with a stable outlook by S&P.

GCP is assigned a "BBB+" rating with a stable outlook by S&P and a "Baa1" rating with a stable outlook for GCP by Moody's. The Notes are expected to be assigned a "BBB" rating by S&P. The Issuer will announce any rating it receives from S&P for the Notes to the holders of the Notes as soon as practicable following the receipt of such a rating (which will include details of the rating).

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. See "*Risk Factors—Risk Factors Relating to the Notes—Ratings may not reflect all risks and are subject to change*".

The following information is taken from the websites of S&P and Moody's as of the date of this Offering Circular and is provided solely for informational purposes.

"The credit rating opinions awarded by S&P range from the highest rating "AAA", which is defined as "extremely strong capacity to meet financial commitments" to the lowest rating "D", which is defined as "Payment default on financial commitments". S&P define a "BBB" rating for a long-term issuer as follows: "An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories." S&P define a "BBB" rating for a long-term issue obligation as follows: "An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories." S&P define a "BB" rating for a long-term issue obligation as follows: "An obligation rated 'BB' is less vulnerable to non-payment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories."

"The global long-term rating scales awarded by Moody's range from the highest rating "Aaa", which is defined as "Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk." to the lowest rating "C", which is defined as "Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest." (Source: website Moody's). Moody's defines a "Baa" rating as follows: "Obligations rated Baa are judged to be medium-grade and subject to

moderate credit risk and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms." Moody's defines a "Ba" rating as follows: "Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms."

## TAXATION

The following discussion of the tax consequences of an investment in the Notes is based on the laws in force on the date of this Offering Circular. The Issuer emphasizes that tax implications can be subject to alteration due to future changes in law, possibly with retroactive or retrospective effect.

Although this discussion reflects the opinion of the Issuer, it should not be misunderstood as a guarantee in an area of law which is not free from doubt. Further, this discussion is not intended as the sole basis for an investment in the Notes as the individual tax position of the Holder needs to be investigated.

**Prospective Holders are recommended to consult their own tax advisors regarding the tax consequences of an investment in the Notes.**

### Responsibility of the Issuer for the withholding of taxes at source

The Issuer does not assume any responsibility for the withholding of taxes at source.

## LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivites*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as net wealth tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### ***Withholding Tax***

#### **(a) *Non-resident holders of Notes***

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

#### **(b) *Resident holders of Notes***

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

An individual beneficial owner of interest or similar income who is a resident of Luxembourg and acts in the course of the management of his private wealth may opt for a final withholding tax of 20 per cent. when he/she receives or is deemed to receive such interest or similar income from a paying agent established in another EU Member State (other than Luxembourg) or in a State of the European Economic Area (which is not an EU Member State).

### ***Income Taxation***

#### ***(a) Non-resident holders of Notes***

A non-resident holder of the Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of the Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, that has a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

#### ***(b) Resident holders of Notes***

Holders of Notes who are residents of Luxembourg will not be liable to any Luxembourg income tax on repayment of principal.

##### ***i. Luxembourg resident corporate holders of Notes***

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 23 July 2016 on reserved alternative investment funds not investing in risk capital thereof is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

##### ***ii. Luxembourg resident individual holders of Notes***

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption

premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of the 20 per cent. withholding tax in full discharge of income tax in accordance with the Relibi Law.

A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the 20 per cent. withholding tax levied in accordance with the Relibi Law would in that case not be treated a final withholding tax but can be credited against his/her final personal income tax liability.

### ***Net Wealth Taxation***

A corporate holder of Notes, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg net wealth tax on such Notes, except if the holder of Notes is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 23 July 2016 on reserved alternative investment funds, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

Securitisation companies governed by the law of 22 March 2004 on securitisation, as amended or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended or reserved alternative investment funds governed by the law of 23 July 2016 on reserved alternative investment funds investing into risk capital may, under certain conditions, be subject to the minimum net wealth tax.

An individual holder of Notes, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg net wealth tax on such Notes.

### ***Other Taxes***

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax, or similar taxes.

However, a fixed or *ad valorem* registration duty will be required upon registration of the Notes in Luxembourg in the case where the Notes are physically attached (*annexé(s)*) to a public deed or to any other document subject to mandatory registration, or in case of a registration of the Notes on a voluntary basis.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or recorded in Luxembourg.

## FATCA DISCLOSURE

### *Foreign Account Tax Compliance Act*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by **FATCA**) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Luxembourg) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

### **The proposed financial transactions tax ("FTT")**

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 (the "participating Member States"). However, Estonia has since stated that it will not 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 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 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.



## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 6 October 2017, 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*". In the Programme 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 and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

## SELLING RESTRICTIONS

### *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, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. 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 U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is 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 will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the 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, U.S. 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 any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

### *Prohibition of Sales to EEA Investors*

From 1 January 2018, unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "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 Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. 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, the **Insurance Mediation Directive**), 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 Directive 2003/71/EC (as amended, 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.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA 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 Notes which are the subject of the offering contemplated by this Offering Circular as completed by the 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) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) 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
- (c) 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 (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a 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; and

- the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant 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 which have a maturity of less than one year, (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.

### ***Israel***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, within Israel, it has not made and will not make any offers of Notes other than to investors of the type listed in the first Supplement (the Supplement) of the Israeli Securities Law of 1968, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters purchasing for their own account, venture capital funds, entities with shareholders' equity in excess of 50 million Israeli new shekels, and high net worth individuals who meet the qualifications specified in the law, each as defined in the Supplement (as it may be amended from time to time, collectively referred to as Eligible Investors). Eligible investors are required to submit written confirmation that they fall within the scope of the Supplement.

### ***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**) and each Dealer represents and agrees that it will not offer or sell any Notes, directly or indirectly, 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 Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***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 neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and 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 and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 9 March 2017.

### **Listing of Notes**

It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Main Securities Market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to the Irish Stock Exchange for Notes issued under the Programme during the period of twelve months from the date of this Offering Circular to be admitted to the Official List and trading on its regulated market. The approval of the Programme in respect of the Notes was granted on or about 6 October 2017.

The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List and to trading on the Main Securities Market.

### **Documents Available**

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be physically available for inspection from the registered office of the Issuer and from the specified office of the Paying Agents for the time being in Ireland:

- (a) the Articles of Association of the Issuer;
- (b) the consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 31 December 2016 together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer (with an English translation thereof), in each case together with any audit or review reports prepared in connection therewith.) The Issuer currently prepares unaudited interim accounts on a quarterly basis;
- (d) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Offering Circular; and
- (f) any future offering circulars, prospectuses, information memoranda, supplements, Final Terms and Pricing Supplements (in the case of Exempt Notes) (save that Pricing Supplements will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or

alternative clearing system the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **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.

### **Litigation**

Neither the Issuer nor any other member of Aroundtown is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer and/or Aroundtown.

### **Auditors**

As of the date of this Offering Circular, KPMG Luxembourg, *société cooperative*, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg is appointed as approved independent auditor (*cabinet de révision agréé*). KPMG Luxembourg is a member of the *Institut des Réviseurs d'Entreprises*. Its mandate will automatically expire at the annual general meeting of the Issuer to be held in 2018. The previous statutory auditor of the Issuer was KPMG Limited, Certified Accountants and Registered Auditors, Millenium Lion House, P.O. Box 40075, 6300 Larnaca, Cyprus.

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the relevant auditors who have authorised the contents of that part of this Offering Circular.

### **Dealers transacting with the Issuer**

Certain of the Dealers have, directly or indirectly through affiliates, provided investment and commercial banking, financial advisory and other services to the Issuer and its affiliates from time to time, for which they have received monetary compensation. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer or its affiliates. In addition, certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking, commercial banking transactions and/or other advisory transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

### **Significant Change in the Financial or Trading Position**

Since 30 June 2017, save as disclosed in the "*Description of the Issuer—Business Overview—Recent Developments*" section of this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or Aroundtown.

### **Trend Information**

There has been no material adverse change in the prospects of the Issuer since 31 December 2016.

**ISSUER**

**Aroundtown SA**  
1, Avenue du Bois  
L-1251 Luxembourg  
Grand Duchy of Luxembourg

**TRUSTEE**

**Prudential Trustee Company Limited**  
Laurence Pountney Hill  
London EC4R 0HH  
United Kingdom

**PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR**

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Vertigo Building – Polaris,  
2-4, rue Eugène Ruppert, L-2453 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISERS**

*To the Issuer as to Luxembourg law*

**GSK Luxembourg SA**  
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L-1855 Luxembourg  
Grand Duchy of Luxembourg

*To the Issuer as to English law*

**Taylor Wessing LLP**  
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London EC4A 3TW  
United Kingdom

*To the Dealers and the Trustee as to English law*

**Allen & Overy LLP**  
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United Kingdom

## **AUDITORS**

*To the Issuer*

### **KPMG Luxembourg, a cooperative company (société coopérative)**

39, Avenue John F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

## **DEALERS**

### **CITIGROUP GLOBAL MARKETS LIMITED**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **GOLDMAN SACHS INTERNATIONAL**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

### **J.P. MORGAN SECURITIES PLC**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

### **MORGAN STANLEY & CO. INTERNATIONAL PLC**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### **UBS LIMITED**

5 Broadgate  
London EC2M 2QS  
United Kingdom

## **LISTING AGENT**

### **The Bank of New York Mellon SA/NV, Dublin Branch**

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Grand Canal Dock  
Dublin 2  
Ireland