



2019

**TERMS AND CONDITIONS OF THE BONDS**

**DWF LLP  
20 Fenchurch Street  
London  
EC3M 4AG**

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The issue of the US\$30,000,000 4% Convertible Bonds due 2024 (the "**Bonds**"), was authorised by resolutions of the board of directors of WoodBois Limited (the "**Issuer**") passed on 20 September 2019. The Bonds are constituted by a trust deed dated 25 September 2019 (the "**Trust Deed**") between the Issuer and Woodside Corporate Services Limited (the "**Trustee**", which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed relating to the Bonds between the Issuer and the Trustee, and the Articles of the Issuer (as defined below). Neville Registrars Limited has been appointed by the Issuer to act as transfer agent for the Bonds (the "**Transfer Agent**", which expression shall include any successor agent).

Copies of each of the Trust Deed and, the Articles of the Issuer are available for inspection during normal business hours at the registered office for the time being of the Trustee (being at the date of the Trust Deed, located at Fourth Floor, 50 Mark Lane, London, EC3R 7QR, United Kingdom), and at the specified office of the Transfer Agent (being at the date of the Trust Deed, at Neville House, Steelpark Road, Halesowen, B62 8HD).

Capitalised terms used but not defined in these conditions shall have the meanings provided in the Trust Deed or, as the case may be, the Articles of the Issuer, unless, in any case, the context otherwise requires or unless otherwise stated.

## 1. **Form, Denomination, Title and Status**

### 1.1 **Form and Denomination**

The Bonds are in registered form, serially numbered, in principal amounts of US\$1.00 each.

### 1.2 **Title**

Title to the Bonds will pass by transfer and registration as described in condition 2.9. The Holder (as defined below) of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as applicable) or anything written on it or the certificate representing it (other than a duly executed transfer thereof)) and no person will be liable for so treating the Holder.

### 1.3 **Status**

The Bonds constitute direct, unconditional, unsubordinated and 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. As at the date of the Trust Deed the Issuer does not have any secured liabilities and any future obligations which would rank more senior to the Bonds are governed by condition 10.1.1.9.

## 2. Definitions

2.1 In these conditions, unless otherwise provided:

**"AIM"** the London Stock Exchange's market for smaller and growing companies;

**"Articles of the Issuer" or "Articles"** the Articles of Incorporation of the Issuer, as amended or replaced from time to time;

**"Bondholder" and "Holder"** the person in whose name a Bond is registered in the Register (as defined in condition 3.1);

**"Business Day"** in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place;

**"Change of Control"** shall occur if:

(a) any person or persons, acting together, acquire(s) or becomes entitled to control more than 50 % of the votes that may ordinarily be cast on a poll at a general meeting of the Issuer (other than in any such case as a result of an Exempt Newco Scheme); or

(b) an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate (as defined in section 529 of the Companies Law) of the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer or if any person proposes a scheme of arrangement or analogous proceeding with regard to such acquisition (other than an Exempt Newco Scheme) and (such offer or scheme of arrangement or analogous proceeding having become or been declared unconditional in all respects or having become effective) the right to cast more than 50% of the votes that may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in the offeror(s) or such person and/or any associate (as defined in section 529 of the Companies Law) of the offeror(s) or such person, as the case may be;

**"Change of Control"** has the meaning provided in condition 5.13;

**Notice"**

**"Change of Control Period"** the period commencing on the occurrence of a Change of Control and ending 60 calendar days following the Change of Control or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by condition 5.13;

**"Change of Control Put Date"** has the meaning provided in condition 6.4;

**"Change of Control Put Exercise Notice"** has the meaning provided in condition 6.4;

**"Closing Date"** 20 October 2019;

**"Companies Law"** the Companies (Guernsey) Law, 2008;

**"Conversion Date"** has the meaning provided in condition 5.8.

**"Conversion Notice"** has the meaning provided in condition 5.8;

**"Conversion Commencement Date"** has the meaning provided in condition 5.1;

**"Conversion Right"** has the meaning provided in condition 5.1;

**"Current Market Price"** in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the twenty consecutive Dealing Days ending on the Dealing Day immediately preceding such date; provided that if at any time during the said twenty-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

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

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

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

and provided further that if on each of the said twenty Dealing Days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or transferred and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Effective Date relating to such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit, and provided further that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said twenty Dealing Days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that twenty-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be

determined in good faith by an Independent Adviser;

**"Dealing Day"**

a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

**"Dividend"**

any dividend or distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

(a) where:

(i) a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of:

(A) the Fair Market Value of such cash amount; and

(B) the Current Market Price of such Ordinary Shares as at the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, as

the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, as the case may be, the Fair Market Value of such other property or assets as at the date of the first public announcement of such Dividend or capitalisation (or in any such case, if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued or transferred and delivered is determined), save that where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares where the number of Ordinary Shares to be issued or delivered is to be determined during a period following such announcement and is to be determined by reference to the closing price or volume weighted average price without any discount, then such Dividend shall be treated as a Cash Dividend in an amount equal to the Fair Market Value of such cash amount; or

- (ii) there shall be any issue of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a Cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election

or otherwise), the Dividend in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares as at the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation, or in any such case, if later, the date on which the number of Ordinary Shares to be issued and delivered is determined;

- (b) any issue of Ordinary Shares falling within condition 5.2.1 or 5.2.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Issuer or any of its Subsidiaries, the weighted average price per Ordinary Share (before expenses) on any one day (a "**Specified Share Day**") in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 10% the average of the closing price of the Ordinary Shares on the Relevant Stock Exchange (as published or derived from the Relevant Stock Exchange) on the five Dealing Days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the five Dealing Days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per

Ordinary Share, a minimum price per Ordinary Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of

- (i) 105 % of the average closing price of the Ordinary Share determined as aforesaid and
  - (ii) the number of Ordinary Shares so purchased, redeemed or bought back;
- (d) if the Issuer or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined by an Independent Adviser;
- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than (or in addition to) the Issuer, such dividend or distribution shall for the purposes of these conditions be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these conditions shall be construed accordingly; and
- (f) a Spin-Off shall be deemed to be a non cash Dividend made by the Issuer, and any such determination shall be made on a gross basis

and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

<b>"Effective Date relating to such Dividend or entitlement"</b>	unless otherwise defined herein, the first day on which the Ordinary Shares are traded ex- the relevant Dividend or other entitlement on the Relevant Stock Exchange;
<b>"Exchange Price"</b>	has the meaning provided in condition 5.1;
<b>"Exempt Newco Scheme"</b>	<p>a Newco Scheme where, immediately after completion of the relevant Scheme of Arrangement, the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are:</p> <ul style="list-style-type: none"><li>(a) admitted to trading on the Relevant Stock Exchange; or</li><li>(b) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Issuer or Newco may determine;</li></ul>
<b>"Extraordinary Resolution"</b>	has the meaning provided in the Trust Deed;
<b>"Fair Market Value"</b>	<p>means, with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Adviser provided that:</p> <ul style="list-style-type: none"><li>(a) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend;</li><li>(b) the Fair Market Value of any other cash amount shall be the amount of such cash;</li><li>(c) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined in good faith by an Independent Adviser), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities, Spin-Off Securities, options, warrants or other rights during the period of five Dealing Days on the relevant stock exchange or securities or other market commencing on such date (or, if later, the first</li></ul>

such Dealing Day such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded;

- (d) where Securities, Spin-Off Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities or other market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (a) above, be translated into the Relevant Currency (if such Cash Dividend is declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date. In addition, in the case of (a) and (b) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

**"Final Maturity Date"** 30 June 2024;

**"Fixed Exchange Rate"** £1.00 = US\$1.25;

**"Independent Adviser"** an independent adviser appointed by the Issuer at its own expense and approved in writing by the Trustee or, if the Issuer fail to make such appointment and such failure

continues for a reasonable period (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such adviser and otherwise in connection with such appointment, appointed by the Trustee (without liability for so doing) following notification thereof to the Issuer;

**"Interest Payment Date"**

the date which is no later than 10 Business Days following an Interest Record Date;

**"Interest Record Date"**

with the exception of the 30 December 2019, 30 December in each year;

**"London Stock Exchange"**

the London Stock Exchange plc;

**"Market Price"**

the Volume Weighted Average Price of an Ordinary Share on the relevant Reference Date, provided that if any Dividend or other entitlement in respect of the Ordinary Shares is announced, whether on or prior to or after the relevant Conversion Date in circumstances where the record date or other due date for the establishment of entitlement in respect of such Dividend or other entitlement shall be on or after the Conversion Date and if, on the relevant Reference Date, the Volume Weighted Average Price of an Ordinary Share is based on a price ex-Dividend or ex- any other entitlement, then such price shall be increased by an amount equal to the Fair Market Value of such Dividend or entitlement per Ordinary Share as at the date of first public announcement of such Dividend or entitlement (or if that is not a Dealing Day, the immediately preceding Dealing Day), determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit and provided that, for the avoidance of doubt, there shall be no double-counting in respect of any Dividend or entitlement;

**"Newco Scheme"**

a scheme of arrangement or analogous proceeding ("**Scheme of Arrangement**") which effects the interposition of a limited liability company ("**Newco**") between the Shareholders immediately prior to the Scheme of Arrangement (the "**Existing Shareholders**"), provided that:

- (a) only ordinary shares or units or equivalent of

Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are issued to Existing Shareholders (except for a nominal holding by initial subscribers);

- (b) immediately after completion of the Scheme of Arrangement the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco (other than a nominal holding by initial subscribers), are Existing Shareholders in or substantially in the same proportions as such Shareholders held Ordinary Shares immediately prior to the Scheme of Arrangement;
- (c) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder (or shareholders) of the Issuer;
- (d) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after completion of the Scheme of Arrangement; and
- (e) 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.

<b>"Optional Redemption Date"</b>	has the meaning provided in condition 6.2;
<b>"Optional Redemption Notice"</b>	has the meaning provided in condition 6.2;
<b>"Ordinary Shares"</b>	fully paid ordinary shares in the capital of the Issuer with, on the date of the Trust Deed, a par value of £0.01 each;
<b>"Principal Subsidiary"</b>	has the meaning provided in condition 9;
<b>"Redemption Price"</b>	has the meaning provided in condition 6.2.1;

<b>"Reference Date"</b>	in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a Dealing Day, the next following Dealing Day;
<b>"Reference Shares"</b>	means, in respect of the exercise of Conversion Rights by a Bondholder, the number of Ordinary Shares (rounded down, if necessary, to the nearest whole number) determined by dividing the principal amount of the Bonds (translated into Sterling at the Fixed Exchange Rate) the subject of the relevant exercise of Conversion Rights by the Exchange Price in effect on the relevant Conversion Date;
<b>"Register"</b>	has the meaning provided in condition 3.1;
<b>"Relevant Currency"</b>	Sterling or, if at the relevant time or for the purposes of the relevant calculation or determination, AIM is not the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time;
<b>"Relevant Date"</b>	means, in respect of any Bond, whichever is the later of: <ul style="list-style-type: none"> <li>(a) the date on which payment in respect of it first becomes due; and</li> <li>(b) if any amount of the money payable is improperly withheld or refused, the earlier of: <ul style="list-style-type: none"> <li>(i) the date on which payment in full of the amount outstanding is made; and</li> <li>(ii) the day seven days after the Trustee has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these conditions);</li> </ul> </li> </ul>
<b>"Relevant Page"</b>	the relevant page on Bloomberg or such other information service provider that displays the relevant information;
<b>"Relevant Stock Exchange"</b>	AIM or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on AIM, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or dealt in;

<b>"Retroactive Adjustment"</b>	has the meaning provided in condition 5.3;
<b>"Scheme of Arrangement"</b>	has the meaning provided in the definition of <b>"Newco Scheme"</b> ;
<b>"Securities"</b>	any securities including, without limitation, Ordinary Shares and any other shares in the capital of the Issuer and options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares or any other shares in the capital of the Issuer;
<b>"Security Interest"</b>	any mortgage, charge, pledge, lien or other security interest;
<b>"Shareholders"</b>	the holders of Ordinary Shares;
<b>"Spin-Off"</b>	<p>(a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or</p> <p>(b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class or, in the case of or in connection with a Scheme of Arrangement, Existing Shareholders, as a class (but excluding the issue and allotment of ordinary shares (or depository or other receipts or certificates representing such ordinary shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Issuer or any of its Subsidiaries;</p>
<b>"Spin-Off Securities"</b>	equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer;
<b>"Subsidiary"</b>	has the meaning provided in condition 9;
<b>"Volume Weighted Average Price"</b>	, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any Dealing Day, the volume weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from Bloomberg page WBI LN (setting Weighted Average) or (in the case of a Security (other than an Ordinary Share) or Spin-Off Security) from the principal stock exchange or securities market on which such

Security or Spin-Off Security is then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day and translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such Dealing Day, provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or Spin-Off Security, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined, or as an Independent Adviser might otherwise determine in good faith to be appropriate;

**"£" and "Sterling"** the lawful currency for the time being of the United Kingdom.

- 2.2 References to **"person"** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).
- 2.3 References to **"ordinary share capital"** have the meaning provided in section 1119 of the Corporation Tax Act 2010 and to **"equity share capital"** have the meaning provided in section 531(5) of the Companies Law.
- 2.4 References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.
- 2.5 References to any issue or offer or grant to Shareholders or Existing Shareholders **"as a class"** or **"by way of rights"** shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.
- 2.6 In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Adviser considers appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.
- 2.7 Any determination by an Independent Adviser appointed by the Issuer or, as the case may be, the Trustee in any of the circumstances contemplated in these conditions shall

(save in the case of manifest error) be final and binding on the Issuer, the Trustee and the Bondholders.

2.8 For the purpose of condition 5.1, 5.2, 5.3, 5.8 and 5.9 and condition 10:

2.8.1 references to the **"issue"** of Ordinary Shares or Ordinary Shares being **"issued"** shall include the delivery of Ordinary Shares, whether newly issued and allotted or previously existing and held by or on behalf of the Issuer or any of its Subsidiaries; and

2.8.2 Ordinary Shares held by or on behalf of the Issuer or any of its Subsidiaries (and which, in the case of condition 5.2.4 and 5.2.6, do not rank for the relevant right or other entitlement) shall not be considered as or treated as **"in issue"** or **"issued"** or entitled to receive the relevant Dividend, right or other entitlement.

2.9 In relation to the Ordinary Shares, references in these conditions to listing on the London Stock Exchange (or like or similar references) shall be construed as admission to the AIM market operated by the London Stock Exchange

### 3. **Registration and Transfer of Bonds**

#### 3.1 **Registration**

The Issuer will cause a register (the **"Register"**) to be kept at an address of the Transfer Agent in Guernsey on which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them.

#### 3.2 **Transfer**

3.2.1 Bonds may, subject to conditions 3.3 and 3.4, be transferred by lodging the relevant Bond (with the form of application for transfer in respect thereof duly executed by the transferor and transferee and duly stamped where applicable) at the specified office of the Transfer Agent.

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

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

### 3.3 Formalities Free of Charge

Such transfer will be effected without charge subject to:

- 3.3.1 the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith;
- 3.3.2 the Transfer Agent being satisfied with the documents of title and/or identity of the person making the application; and
- 3.3.3 such reasonable regulations as the Issuer may from time to time agree with the Transfer Agent and the Trustee.

### 3.4 Closed Periods

- 3.4.1 Neither the Issuer nor the Transfer Agent will be required to register the transfer of any Bond:
  - 3.4.1.1 during the period of 15 days ending on and including the day immediately prior to the Final Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to condition 6.2;
  - 3.4.1.2 in respect of which a Conversion Notice has been delivered in accordance with condition 5.8;
  - 3.4.1.3 in respect of which a Bondholder has exercised its right to require redemption pursuant to condition 6.4; or
  - 3.4.1.4 during the period of 15 days ending on (and including) any Interest Record Date.

## 4. Interest

### 4.1 Interest Rate

- 4.1.1 The Bonds bear interest from (and including) the Closing Date at the rate of 4% per annum calculated by reference to the principal amount thereof and payable annually in arrears within ten Business Days following 30 December in each year (each an "**Interest Record Date**"), except that, subject to earlier redemption or conversion, the first payment of interest will be made within 10 Business Days following 30 December 2020 in respect of the period from (and including) the Closing Date to (and including) 30 December 2020 and the final payment will be made within ten Business Days following the Final Maturity Date in respect of the period from (and including) 1 January 2024 to (and including) 30 June 2024.
- 4.1.2 The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (and including) the last day of such period divided by the product of the number of days from (but excluding) the immediately preceding Interest Record Date (or,

if none, the Closing Date) to (and including) the next Interest Record Date and the number of Interest Periods normally ending in any year.

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

#### 4.2 **Accrual of Interest**

Each Bond will cease to bear interest:

- 4.2.1 where the Conversion Right shall have been exercised by a Bondholder, from the Interest Record Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in condition (5.10); or
- 4.2.2 where such Bond is redeemed or repaid pursuant to condition 6 or condition 9, from the due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in condition 4.1 (both before and after judgment) until the Relevant Date.

### 5. **Conversion of Bonds**

#### 5.1 **Conversion Right**

- 5.1.1 Subject as provided in these conditions, each Bond shall entitle the Holder to convert (a **"Conversion Right"**) the principal amount of each Bond (translated into Sterling at the Fixed Exchange Rate) into fully paid Ordinary Shares reflecting an initial exchange price (the **"Exchange Price"**) of £0.08 per Ordinary Share. The Exchange Price is subject to adjustment in the circumstances described in condition 5.2.

- 5.1.2 Conversion Rights may only be exercised in the following circumstances:

- 5.1.2.1 at any time in case of early redemption of all the outstanding Bonds at the option of the Issuer pursuant to condition 6.2, provided that the Conversion Date falls in the period from (and including) the date on which the relevant notice of redemption is given up to (but excluding) the 30th Dealing Day preceding the date of early redemption unless there shall be a default in making payment in respect of such Bond on any such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given to Bondholders in accordance with condition 16 or, if earlier,

- the Final Maturity Date or, if the Final Maturity Date is not a Business Day, the immediately preceding Business Day;
- 5.1.2.2 in the case of a Change of Control of the Issuer, provided that the Conversion Date falls during the Change of Control Period;
- 5.1.2.3 in case of an Event of Default, provided that the Conversion Date falls in the period from (and including) the occurrence of the Event of Default up to (but excluding) the date the Bonds are declared due and payable pursuant to condition 9; or
- 5.1.2.4 at any time other than as set out in conditions 5.1.2.1, 5.1.2.2 or 5.1.2.3, from the date of the Trust Deed, provided that, in each case, the Conversion Date falls on or prior to the 30th Dealing Day prior to the Final Maturity Date and if the final date for the exercise of Conversion Rights is not a Business Day at the place aforesaid, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding Business Day at the place aforesaid.
- 5.1.3 Save in the circumstances described in condition 5.10 in respect of any notice given by the Issuer in accordance with condition 6.2, Conversion Rights may not be exercised by a Bondholder in circumstances where the relevant Conversion Date would fall during the period commencing on an Interest Record Date and ending on the relevant Interest Payment Date (both days inclusive).
- 5.1.4 A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond, together with a duly completed Conversion Notice, to the specified office of the Transfer Agent in accordance with condition 5.8.
- 5.1.5 If a Conversion Right is exercised prior to the Conversion Commencement Date, Bondholders exercising the Conversion Right prior to the Conversion Commencement Date shall be required to certify in the Conversion Notice, among other things, that it or, if it is a broker-dealer acting on behalf of a customer, such customer:
- (a) will, on conversion, become the beneficial owner of the Ordinary Shares; and
  - (b) is located outside the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended);
- 5.1.6 The Issuer will procure that Ordinary Shares to be issued or transferred and delivered on exercise of Conversion Rights will be issued or transferred and delivered to the relevant Bondholder or his nominee as specified in the relevant Conversion Notice (without any further action being required to be taken by, and without any cost or expense to, the relevant Bondholder or the Trustee).

Such Ordinary Shares will be deemed to be issued or transferred and delivered on or as of the relevant Conversion Date;

- 5.1.7 The Issuer shall (at its own expense) be entitled to do all such things and make all such entries in the Issuer's register of members and execute all such documents, whether at the request of the Trustee, on behalf of the relevant Bondholders or otherwise as may be necessary to effect the conversion.
- 5.1.8 Conversion Rights are not exercisable in respect of any specific Ordinary Shares and no Ordinary Shares have been or will be charged, placed in custody or otherwise set aside to secure or satisfy the obligations of the Issuer in respect of the delivery of Ordinary Shares.
- 5.1.9 Upon the issue of Ordinary Shares on conversion of any Bonds and the registration and transfer of such Ordinary Shares to the Bondholder as provided in these conditions and, where applicable, the payment of any interest pursuant to condition 5.10, the Issuer shall have no further liability in respect of such Bonds.
- 5.1.10 Fractions of Ordinary Shares will not be issued or transferred and delivered and no cash payment or other adjustment will be made in lieu thereof.

## 5.2 **Adjustment of Exchange Price**

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

- 5.2.1 if and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

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

where

*A* is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

*B* is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case maybe,

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

- 5.2.2 if and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves

(including any share premium account or capital redemption reserve) other than:

5.2.2.1 where any such Ordinary Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive; or

5.2.2.2 where the Shareholders may elect to receive a Dividend in cash in lieu of such Ordinary Shares,

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

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

where

*A* is the aggregate number of Ordinary Shares in issue immediately before such issue; and

*B* is the aggregate number of Ordinary Shares in issue immediately after such issue,

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

5.2.3 if and whenever the Issuer shall pay or make any Dividend to Shareholders, the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to the Effective Date by the following fraction:

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

where

*A* is the Current Market Price of one Ordinary Share on the Effective Date; and

*B* is the portion of the Fair Market Value of the aggregate Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back),

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

5.2.3.1 **"Effective Date"** means the first date on which the Ordinary Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange (or if the Ordinary Shares are not so traded at such time, the record date for such Dividend) or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares, the date on which such purchase, redemption or buy back is made or, in the case of a Spin-Off, on the first date on which the Ordinary Shares are traded ex- the relevant Spin-Off on the Relevant Stock Exchange (or if the Ordinary Shares are not so traded at such time, the record date for such Spin-Off).

5.2.3.2 For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of **"Dividend"** and in the definition of **"Fair Market Value"**) be determined as at the Effective Date.

5.2.4 if and whenever the Issuer shall issue Ordinary Shares to Shareholders as a class by way of rights, or issue or grant to Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Ordinary Shares, in each case at a price per Ordinary Share which is less than 90% of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of the issue or grant of such Ordinary Shares, options, warrants or other rights (or, if that is not a Dealing Day, on the immediately preceding Dealing Day), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

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

where

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

*B* is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share; and

*C* is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise

of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights,

such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange (or if the Ordinary Shares are not so traded at such time, the record date for such issue or grant);

- 5.2.5 if and whenever the Issuer shall issue any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase any Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase Ordinary Shares), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

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

where

*A* is the Current Market Price of one Ordinary Share on the first date on which the terms of such issue or grant are publicly announced (or, if that is not a Dealing Day, the immediately preceding Dealing Day); and

*B* is the Fair Market Value on the date of such announcement (or, if that is not a Dealing Day, the immediately preceding Dealing Day) of the portion of the rights attributable to one Ordinary Share,

such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange (or if the Ordinary Shares are not so traded at such time, the record date for such issue or grant);

- 5.2.6 if and whenever the Issuer shall issue (otherwise than as mentioned in condition 5.2.4 above) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares) or issue or grant (otherwise than as mentioned in condition 5.2.4 above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Ordinary Shares (other than the Bonds), in each case at a price per Ordinary Share which is less than 90% of the Current Market Price per Ordinary Share on (or, if that is not a Dealing Day, the immediately preceding Dealing Day) the date of the first public announcement of the terms of such issue or grant, the Exchange Price

shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue or grant by the following fraction:

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

where

*A* is the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares or the grant of such options, warrants or rights;

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

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

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

5.2.7 if and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in condition 5.2.4, 5.2.5 or 5.2.6 above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Ordinary Shares, and the consideration per Ordinary Share receivable upon conversion, exchange, subscription or redesignation is less than 90% of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant) (or, if that is not a Dealing Day, the immediately preceding Dealing Day), the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately prior to such issue (or grant) by the following fraction:

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

where

*A* is the number of Ordinary Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Ordinary Shares which have been

issued, purchased or acquired by the Issuer or any Subsidiary of the Issuer (or at the direction or request or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);

*B* is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Ordinary Share; and

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

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this condition 5.2.7) the "**Specified Date**") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided) then for the purposes of this condition 5.2.7, "**C**" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date,

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

- 5.2.8 if and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Bonds) as are mentioned in paragraph 5.2.7 above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 90% of the Current Market Price per Ordinary Share on the date of the first public announcement of the proposals for such modification (or, if that is not a Dealing Day, the immediately preceding Dealing Day), the Exchange

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

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

where

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

*B* is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange or subscription price of such Securities; and

*C* is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as the Issuer shall consider appropriate for any previous adjustment under this paragraph or paragraph 5.2.7 above, provided that if at the time of such modification (as used in this paragraph 5.2.8) the "**Specified Date**") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or at such other time as may be provided) then for the purposes of this paragraph 5.2.8, "**C**" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange or subscription had taken place on the Specified Date,

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

- 5.2.9 if and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except

where the Exchange Price falls to be adjusted under paragraphs 5.2.2, 5.2.3, 5.2.4, 5.2.6 or 5.2.7 above (or would fall to be so adjusted if the relevant issue or grant was at less than 90% of the Current Market Price per Ordinary Share on the relevant Dealing Day) or under paragraph 5.2.7 above) the Exchange Price shall be adjusted by multiplying the Exchange Price in force immediately before the making of such offer by the following fraction:

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

where:

*A* is the Current Market Price of one Ordinary Share on the date on which the terms of such offer are first publicly announced (or, if such date is not a Dealing Day, the immediately preceding Dealing Day); and

*B* is the Fair Market Value on the date of such announcement (or, if that is not a Dealing Day, the immediately preceding Dealing Day) of the portion of the relevant offer attributable to one Ordinary Share,

such adjustment shall become effective on the first date on which the Ordinary Shares are traded ex-rights on the Relevant Stock Exchange;

5.2.10 if the Issuer determines that an adjustment should be made to the Exchange Price as a result of one or more circumstances not referred to above in this condition 5.2 (even if the relevant circumstance is specifically excluded from the operation of paragraphs 5.2.1 to 5.2.9 above), the Issuer shall in good faith determine as soon as practicable what adjustment (if any) to the Exchange Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect (and shall notify the Trustee accordingly) and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this paragraph 5.2.10 if such determination is made not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Exchange Price;

5.2.11 the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

### 5.3 **Retroactive Adjustments**

If the Conversion Date in relation to any Bond shall be after the record date in respect of any consolidation, reclassification or sub-division as is mentioned in condition 5.2.1 above, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in conditions 5.2.2, 5.2.3, 5.2.4, 5.2.5 or 5.2.9 above, or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in paragraph

5.2.6 and 5.2.7 above or of the terms of any such modification as is mentioned in paragraph 5.2.7 above, but before the relevant adjustment to the Exchange Price becomes effective under condition 5.2 above (such adjustment, a **"Retroactive Adjustment"**), then the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued and delivered to the relevant Bondholder, in accordance with the instructions contained in the relevant Conversion Notice, such additional number of Ordinary Shares (if any) (the **"Additional Ordinary Shares"**) as, together with the Ordinary Shares issued or transferred and delivered on exchange of the relevant Preference Shares (together with any fraction of an Ordinary Share not so issued or transferred and delivered), is equal to the number of Ordinary Shares which would have been required to be issued or transferred and delivered on such exchange if the relevant adjustment to the Exchange Price had been made and become effective immediately prior to the relevant Conversion Date.

#### 5.4 **Adjustment of Redemption Price**

The Issuer (after consultation with the Trustee) may determine that an adjustment to the Redemption Price should be made to take account of the effect of any of the adjustment provisions set out in conditions 5.2.1 to 5.2.10. The Issuer shall, at its own expense and acting reasonably, request an Independent Adviser to determine as soon as practicable what adjustment (if any) to the Redemption Price is fair and reasonable to take account thereof and the date on which such adjustment should take effect and provide notice to the Bondholders of the adjustment (if any).

#### 5.5 **Decision of an Independent Adviser**

If any doubt shall arise as to whether an adjustment falls to be made to the Exchange Price or Redemption Price or as to the appropriate adjustment to the Exchange Price or Redemption Price, and following consultation between the Issuer and an Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall be conclusive and binding on the Bondholders and all other parties, save in the case of manifest error.

#### 5.6 **Share or Option Schemes, Dividend Reinvestment Plans**

No adjustment will be made to the Exchange Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted:

5.6.1 to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme; or

5.6.2 pursuant to any dividend reinvestment plan or similar plan or scheme.

## 5.7 Rounding Down and Notice of Adjustment to the Exchange Price

- 5.7.1 On any adjustment, the resultant Exchange Price, if not an integral multiple of £0.0001, shall be rounded down to the nearest whole multiple of £0.0001. No adjustment shall be made to the Exchange Price where such adjustment (rounded down if applicable) would be less than 1% of the Exchange Price then in effect. Any adjustment not required to be made and/or any amount by which the Exchange Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.
- 5.7.2 Notice of any adjustments to the Exchange Price shall be given by the Issuer to Bondholders in accordance with condition 16 and to the Trustee promptly after the determination thereof.
- 5.7.3 The Exchange Price shall not in any event be reduced to below the nominal value of the Ordinary Shares.

## 5.8 Procedure for exercise of Conversion Rights

- 5.8.1 Conversion Rights shall be exercised by a Bondholder by delivering the relevant Bond to the specified office of the Transfer Agent, during its usual business hours, accompanied by a duly completed and signed notice of conversion (a "**Conversion Notice**") in the form (for the time being current) obtainable from the Transfer Agent.
- 5.8.2 Uncertificated Bondholders (those that hold their Bonds in CREST) wishing to exercise the Conversion Right must in addition deliver their Bonds to the Transfer Agent via Transfer To Escrow ("**TTE**") via the CREST system. Those Bondholders who have a CREST sponsored account should contact their agent/nominee in order to exercise the Conversion Right. The Transfer Agent's CREST details at the time of issuing this document are as follows:
- CREST Participant ID: **7RA11**
- CREST Member Account ID: **CONVERT**;
- 5.8.3 If such delivery is made after the end of normal business hours or on a day which is not a Business Day in the place of the specified office of the Transfer Agent, such delivery shall be deemed for these conditions to have been made on the next following such Business Day
- 5.8.4 Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the Issuer and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Transfer Agent and the relevant Bondholder.

- 5.8.5 Conversion Rights may only be exercised in respect of the whole of the principal amount of a Bond.
- 5.8.6 A Conversion Notice, once delivered, shall be irrevocable.
- 5.8.7 The conversion date in respect of a Bond (the "**Conversion Date**") shall be the Business Day in London immediately following the date of the delivery of the relevant Bond and the Conversion Notice as provided in this condition 5.8 (and for this purpose the proviso to the second paragraph of this condition 5.8 shall be disregarded).
- 5.8.8 A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any capital, stamp, issue, registration and transfer taxes and duties arising on conversion (other than any capital, stamp, issue, registration, transfer or similar taxes and duties (excluding for the avoidance of doubt, capital gains tax or similar taxes on gains or profits levied on the relevant Bondholder) payable in Guernsey or the United Kingdom, or in any other jurisdiction in which the Issuer may be domiciled or resident or to whose taxing jurisdiction it may be generally subject, in respect of the allotment and issue of Ordinary Shares on exercise of Conversion Rights (the "**Specified Taxes**")). The Specified Taxes shall be paid by the Issuer. If the Issuer shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant Holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.
- 5.8.9 The Trustee shall not be responsible for determining whether any such taxes or capital, stamp, issue, registration and transfer taxes and duties are payable or the amount thereof and it shall not be responsible or liable to any person for any failure by the Issuer to pay such taxes or capital, stamp, issue, registration and transfer taxes and duties.
- 5.8.10 Each Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of any Bonds or Ordinary Shares or any interest therein.
- 5.8.11 Ordinary Shares to be issued or transferred and delivered by the Issuer to a Bondholder on the exercise of Conversion Rights) will be issued or transferred and delivered in uncertificated form through the dematerialised securities trading system operated by Euroclear UK and Ireland Limited, known as CREST, unless at the relevant time the Ordinary Shares are not a participating security in CREST. Where Ordinary Shares are to be issued or transferred and delivered through CREST, they will be delivered to the account specified by the relevant Bondholder in the relevant Conversion Notice by not later than seven Business Days following the relevant Conversion Date. Where Ordinary Shares are to be issued or transferred and delivered in certificated form, a

certificate in respect thereof will be dispatched by mail free of charge (but uninsured and at the risk of the recipient) to the relevant Bondholder or as it may direct in the relevant Conversion Notice within 28 days following the relevant Conversion Date or, as the case may be, the Reference Date.

## **5.9 Ordinary Shares**

5.9.1 Ordinary Shares issued or transferred and delivered upon conversion of Bonds will be fully paid and will in all respects rank pari passu with the fully paid Ordinary Shares in issue on the relevant Conversion Date except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, distributions or payments where the record date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date.

5.9.2 Save as provided in condition 5.10, no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Record Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Record Date, since the Closing Date).

## **5.10 Interest on Conversion**

If any notice requiring the redemption of the Bonds is given pursuant to condition 6.2 on or after the 15th Dealing Day prior to a record date which has occurred since the last Interest Record Date (or in the case of the first Interest Period, since the Closing Date) in respect of any Dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 21 Dealing Days after the Interest Record Date next following such record date, interest shall accrue at the rate provided in condition 4.1 on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Record Date next following such record date in respect of such Dividend or distribution, in each case from and including the preceding Interest Record Date (or, if such Conversion Date falls before the first Interest Record Date, from the Closing Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 days after the relevant Conversion Date by transfer to a \$US account in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

## **5.11 Purchase or Redemption of Ordinary Shares**

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

## 5.12 **No Duty to Monitor**

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Exchange Price and will not be responsible or liable to any person for any loss arising from any failure by it to do so, nor shall the Trustee be responsible or liable to any person for any determination of whether or not an adjustment to the Exchange Price is required or should be made nor as to the determination or calculation of any such adjustment.

## 5.13 **Change of Control**

5.13.1 Within 14 days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Trustee and to the Bondholders in accordance with condition 16 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to condition 6.4.

5.13.2 The Change of Control Notice shall also specify:

5.13.2.1 all information material to Bondholders concerning the Change of Control;

5.13.2.2 the Exchange Price immediately prior to the occurrence of the Change of Control and the Change of Control Exchange Price applicable during the Change of Control Period on the basis of the Exchange Price in effect immediately prior to the occurrence of the Change of Control;

5.13.2.3 the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;

5.13.2.4 the last day of the Change of Control Period;

5.13.2.5 the Change of Control Put Date; and

5.13.2.6 such other information relating to the Change of Control as the Trustee may require.

5.13.3 The Trustee shall not be required to take any steps to monitor or ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

## 6. **Redemption and Purchase**

### 6.1 **Final Redemption**

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their principal amount on the Final Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with condition 6.2 and may only be redeemed by Bondholders prior to the Final Maturity Date in accordance with condition 6.4.

### 6.2 **Redemption at the Option of the Issuer**

On giving not less than 45 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and to the Bondholders in accordance with condition 16, the Issuer may redeem all but not some only of the Bonds on the date (the "**Optional Redemption Date**") specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest up to (but excluding) the Optional Redemption Date at any time if:

- 6.2.1 After 30 January 2020 but prior to the date the relevant Optional Redemption Notice is given, the Volume Weighted Average Price of an Ordinary Share on each Dealing Day in any period of 10 consecutive Dealing Days in the period of 30 consecutive Dealing Days is greater than £0.12 ("**Redemption Price**"), such price being subject to any adjustment in accordance with condition 5.4; or
- 6.2.2 Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations and/or redemptions) effected in respect of 90% or more in principal amount of the Bonds originally issued.

### 6.3 **Optional Redemption Notices**

- 6.3.1 The Issuer shall not give an Optional Redemption at any time during a Change of Control Period or an Offer Period or which specifies a date for redemption falling in a Change of Control Period or an Offer Period or the period of 21 days following the end of a Change of Control Period or Offer Period (whether or not the relevant notice was given prior to or during such Change of Control Period or Offer Period), and any such notice shall be invalid and of no effect (whether or not given prior to the relevant Change of Control Period or Offer Period) and the relevant redemption shall not be made.
- 6.3.2 Any Optional Redemption Notice shall be irrevocable. Any such notice shall specify:
  - 6.3.2.1 the Optional Redemption Date, which shall be a Business Day;
  - 6.3.2.2 the Exchange Price, the aggregate principal amount of the Bonds outstanding and the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange, in each case as at the

latest practicable date prior to the publication of the Optional Redemption Notice; and

6.3.2.3 the last day on which Conversion Rights may be exercised by Bondholders.

6.3.3 **"Offer Period"** the period during which the Issuer is stated as being an offer period on the Takeover Panel's Disclosure Table on the Takeover Panel's website.

#### 6.4 **Redemption at the Option of Bondholders Upon a Change of Control**

6.4.1 Following the occurrence of a Change of Control, the Holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at its principal amount, together with accrued and unpaid interest up to (but excluding) such date. To exercise such right, the Holder of the relevant Bond must deliver such Bond to the specified office of the Transfer Agent together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of the Transfer Agent (a **"Change of Control Put Exercise Notice"**), at any time during the Change of Control Period. The **"Change of Control Put Date"** shall be the 14<sup>th</sup> Business Day after the expiry of the Change of Control Period.

6.4.2 Payment in respect of any such Bond shall be made by transfer to a \$US account as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

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

#### 6.5 **Purchase**

Subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price. Such Bonds may be held, resold or reissued or at the option of the Issuer surrendered to the Transfer Agent for cancellation.

#### 6.6 **Cancellation**

All Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Bonds redeemed by the Issuer may be surrendered to the Transfer Agent for cancellation and if so surrendered shall be cancelled.

#### 6.7 **Multiple Notices**

If more than one notice of redemption is given pursuant to this condition 6, the first of such notices to be given shall prevail.

## **7. Payments**

### **7.1 Principal**

Payment of principal in respect of the Bonds will be made to the persons shown in the Register at the close of business on the fifth Business Day before the due date for the relevant payment.

### **7.2 Other amounts**

Payments of all amounts other than as provided in condition 7.1 will be made as provided in these conditions.

### **7.3 Payments**

Each payment in respect of the Bonds pursuant to condition 7.1 and 7.2 will be made by transfer to the \$US account nominated by the Bondholder and notified to the Transfer Agent.

### **7.4 Payments subject to fiscal laws**

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to condition 9.

### **7.5 Delay in payment**

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

### **7.6 Transfer Agent, paying, transfer and conversion agents, etc.**

7.6.1 The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of the Transfer Agent or any other agent engaged to act as paying, transfer and/or conversion agent or registrar and appoint additional or other paying and/or conversion agent or another transfer agent.

7.6.2 Notice of any change in the Transfer Agent or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with condition 16.

### **7.7 Fractions**

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

## **8. Taxation**

8.1 All payments made by or on behalf of the Issuer in respect of the Bonds or under the Guarantee will be made free from any restriction or condition and be made without

deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Guernsey or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is required to be made by law. In the event the Issuer reasonably believes that any such withholding or deduction is required to be made, all payments made by or on behalf of the Issuer in respect of the Bonds will be made subject to and after deduction for or on account of such taxes, duties, assessments or governmental charges and the Issuer will not be required to pay any additional or further amounts in respect of such deduction or withholding.

## 9. Events of Default

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

9.1.1 the Issuer fails to pay when due the principal or interest on any of the Bonds or any other sum due from it under the Bonds or to issue and deliver Ordinary Shares as provided in these conditions following any exercise of Conversion Rights and such failure continues for a period of 14 days in the case of any payment of interest and for seven days in any other case;

9.1.2 the Issuer fails to perform or observe any of its other obligations (including any purported obligation under the Trust Deed which may be unenforceable as an unlawful fettering of the Issuer's exercise of its statutory powers) under the Bonds or the Trust Deed and in any such case (except where the same is incapable of remedy when no such continuation or notice as is hereinafter referred to will be required) the same continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied;

9.1.3

9.1.3.1 any other present or future indebtedness for borrowed money of the Issuer or any of its Principal Subsidiaries becomes payable prior to its stated maturity by reason of an event of default;

9.1.3.2 any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; and or

9.1.3.3 the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any such indebtedness,

provided that the amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this condition 9.1.3 have occurred equals or exceeds \$100,000 (or its equivalent in another currency);

- 9.1.4 a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries following upon a decree or judgment of a court of competent jurisdiction and is not discharged or stayed within 28 days;
- 9.1.5 any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Principal Subsidiary in respect of all or a substantial part of the property, assets or revenues of the Issuer or any Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) and is not discharged within 30 days;
- 9.1.6 the Issuer or any of its Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts within the meaning of section 123(1)(b)-(e) and (2) of the Insolvency Act 1986, or stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, or proposes or makes a general assignment or an arrangement or composition or other similar arrangement with or for the benefit of the relevant creditors in respect of any of such debts, or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries;
- 9.1.7 an order is made or an effective resolution is passed for the winding up or dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the directors of the Issuer or any Principal Subsidiary request any person to appoint an administrator, or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations which represents all or substantially all the business and operations of the Issuer and its subsidiaries taken as a whole, except, in any such case, for the purpose of or in connection with a reconstruction, amalgamation, reorganisation, merger or consolidation:
  - 9.1.7.1 on terms previously approved by the Trustee or by an Extraordinary Resolution of the Bondholders; or
  - 9.1.7.2 in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to one or more of its Principal Subsidiaries or any one or more of its other Subsidiaries which by virtue of the transfer become Principal Subsidiaries;

9.1.8 an administrative or other receiver or any manager is duly appointed of the Issuer or any Principal Subsidiary or the directors of the Issuer or of any Principal Subsidiary request any person to appoint such a receiver or manager over any of their respective assets or properties which are material in the context of the business of the Issuer and its Principal Subsidiaries taken as a whole; and

9.1.9 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 an event falling within paragraph 9.1.2 or 9.1.4 and, in so far as the relevant events relate to a Principal Subsidiary, 9.1.5 or 9.1.7 the Trustee shall have certified in writing to the Issuer that in its opinion such event is materially prejudicial to the interests of the Bondholders.

9.2 As used in these conditions:

**"indebtedness for borrowed money"** any present or future indebtedness (whether being principal, premium, interest or other amounts) for

- (a) money borrowed;
- (b) liabilities under or in respect of any acceptance or acceptance credit or;
- (c) any notes, bonds, debentures, debenture stock, loan stock or other debt securities offered, issued or distributed by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

**"Principal Subsidiary"** at any time a Subsidiary of the Issuer:

- (a) whose unconsolidated total assets or total revenue represent not less than 2% of the consolidated total assets or total revenue, of the Issuer calculated by reference to the then latest audited unconsolidated accounts of such Subsidiary and the then latest audited consolidated accounts of the Issuer, provided that in the case of a Subsidiary is acquired after the end of the financial period to which the then latest audited consolidated accounts relate, the reference to the then latest audited consolidated accounts of the Issuer for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and

audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer; and

- (b) to which is transferred all or substantially all of the business and assets of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this paragraph (b) on the date on which the consolidated accounts of the Issuer for the financial period current at the date of such transfer have been prepared and audited as aforesaid, but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of paragraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

For the purposes of this definition:

- (a) if there shall not at any time be any relevant audited consolidated accounts of the Issuer, references thereto in this definition shall be deemed to be references to a consolidation (which need not be audited) by the Issuer of the relevant audited accounts of the Issuer and its Subsidiaries;
- (b) if
  - (i) any Subsidiary of the Issuer shall not in respect of any relevant financial period for whatever reason produce audited accounts or
  - (ii) any Subsidiary of the Issuer shall not have produced at the relevant time for the calculations required pursuant to this

definition audited accounts for the same period as the period to which the latest audited consolidated accounts of the Issuer relate, then there shall be substituted for the purposes of this definition the management accounts of such Subsidiary of the Issuer for such period, such accounts to be accompanied by a certificate addressed to the Trustee signed by two directors of the Issuer confirming that such accounts are the appropriate accounts to be used in making the calculations required by this definition; and

- (c) in the event that accounts of any companies being compared are prepared on the basis of different generally accepted accounting principles, there shall be made such adjustments to any relevant financial items as two Directors of the Issuer shall certify in writing to the Trustee as being necessary to achieve a true and fair comparison of such financial items.

**"Subsidiary"** a subsidiary as defined in section 531 of the Companies Law.

- 9.3 A certificate by two independent directors of the Issuer (not being directors who hold (or whose associates (as defined in section 529 of the Companies Law) hold Bonds) that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence or responsibility or liability in respect thereto and, if relied upon by the Trustee, shall (in the absence of manifest error) be conclusive and binding on the Issuer,, the Trustee and the Bondholders.

## 10. **Undertakings**

### 10.1 **Undertakings of the Issuer**

10.1.1 Whilst any Bond remains outstanding, the Issuer will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in the Trustee's opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval:

- 10.1.1.1 comply with the obligations assumed by it under the Articles and not make any amendment to the Articles which would vary, abrogate or modify the rights appertaining to the Ordinary Shares;

- 10.1.1.2 at all times, keep available for issue, free from pre-emptive rights out of its authorised but unissued capital, such number of Ordinary Shares as would enable all the unexercised Conversion Rights and any other rights of conversion into, subscription for and exchange into Ordinary Shares to be satisfied in full;
- 10.1.1.3 not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this condition 10.1.1.3 shall prevent:
- (a) the issue of any equity share capital to employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) whether of the Issuer or any of the Issuer's Subsidiaries or associated companies by virtue of their office or employment pursuant to any scheme or plan approved by the Issuer or which is established pursuant to such a scheme or plan which is or has been so approved;
  - (b) any consolidation, reclassification or subdivision of the Ordinary Shares;
  - (c) any modification of such rights which is not, in the opinion of an Independent Adviser, materially prejudicial to the interests of the holders of the Bonds upon which opinion the Trustee shall be entitled to rely absolutely without liability to any person;
  - (d) any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of these conditions relating to roundings and minimum adjustments or the carry forward of adjustments or, where comprising Ordinary Shares, the fact that the consideration per Ordinary Share receivable therefor is at least 90% of the Current Market Price per Ordinary Share, otherwise result, in an adjustment to the Exchange Price; or
  - (e) the conversion of Ordinary Shares into, or the issue of any Ordinary Shares in, uncertificated form (or the conversion of Ordinary Shares in uncertificated form to certificated form) or the amendment of the Articles of the Issuer to enable title to Securities (including Ordinary Shares) to be evidenced and transferred without a written instrument or any other alteration to the Articles of the Issuer made in

connection with the matters described in this condition 10.1.1.3 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or

- (f) any issue of equity share capital or modification of rights attaching to the Ordinary Shares, where prior thereto the Issuer shall have instructed an Independent Adviser to determine in good faith what (if any) adjustments should be made to the Exchange Price as being fair and reasonable to take account thereof and such Independent Adviser shall have determined in good faith either that no adjustment is required or that an adjustment resulting in a decrease in the Exchange Price is required and, if so, the new Exchange Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly); or
- (g) any alteration to the Articles of the Issuer made in connection with the matters described in this condition 10 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or
- (h) the amendment of the Articles of the Issuer following a Change of Control to ensure that any Bondholder exercising its Conversion Right where the Conversion Date falls on or after the occurrence of a Change of Control will receive the same consideration in respect of any Ordinary Shares required to be issued or transferred and delivered to it in exchange for Preference Shares issued to such Bondholder in respect of such exercise as it would have received in respect of such Ordinary Shares had such Ordinary Shares been entitled to participate in the relevant Scheme of Arrangement or tendered in the relevant offer;

10.1.1.4 not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, following the exercise of Conversion Rights, Ordinary Shares could not, under

any applicable law then in effect, be legally issued as fully paid in exchange for Preference Shares pursuant to these conditions;

- 10.1.1.5 if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associates (as defined in section 529 of the Companies Law or any modification or re-enactment thereof) of the offeror) to acquire the whole or any part of the issued Ordinary Shares, or if any person proposes a scheme with regard to such acquisition (other than a Newco Scheme), give notice in writing of such offer or scheme to the Trustee and the Bondholders at the same time as any notice thereof is sent to the Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Transfer Agent and, where such an offer or scheme has been recommended by the board of directors of the Issuer, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use all reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of Conversion Rights pursuant to these conditions and/or to the holders of the Bonds (which like offer or scheme in respect of such Bondholders shall entitle any such Bondholders to receive the same type and amount of consideration it would have received had it held the number of Ordinary Shares to which such Bondholder would be entitled assuming he were to exercise his Conversion Rights in the relevant Change of Control Period);
- 10.1.1.6 in the event of a Newco Scheme, 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 Scheme of Arrangement:
- (a) at its option, either Newco is substituted under the Bonds and the Trust Deed as principal obligor in place of the Issuer subject to and as provided in the Trust Deed, or Newco becomes a guarantor under the Bonds and the Trust Deed;
  - (b) such amendments are made to these conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be converted into or exchanged (whether by the exchange for preference shares or otherwise) for cash and/or ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these conditions, and the

Trust Deed and the conditions provide at least the same protections and benefits to the Trustee and the Bondholders following the implementation of such Scheme of Arrangement as they provided to the Trustee and the Bondholders prior to the implementation of the Scheme of Arrangement, *mutatis mutandis*;

- (c) the ordinary shares or units or equivalent of Newco are admitted to listing on AIM or another regulated, regularly operating, recognised stock exchange or securities market;

10.1.1.7 use all reasonable endeavours to ensure that the Ordinary Shares issued on conversion of the Bonds pursuant to these conditions will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in;

10.1.1.8 use all reasonable endeavours to ensure, at its own cost, that its issued and outstanding Ordinary Shares are:

- (a) admitted to trading on AIM; or
- (b) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market (but so that this undertaking shall not be considered as being breached as a result of a Change of Control that causes or gives rise to whether following the operation of any applicable compulsory acquisition provision or otherwise including at the request of the person or persons controlling the Issuer as a result of the Change of Control a de-listing of the Ordinary Shares;

10.1.1.9 not grant, issue or incur any debt which is secured or otherwise ranks in priority to the amounts payable on redemption of the Bonds (save for certain obligations required to be preferred by law) or otherwise grant any Security Interest in respect of any liability.

10.1.2 The Issuer has undertaken in the Trust Deed to deliver to the Trustee annually and otherwise on request of the Trustee a certificate signed by two directors 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 to independently monitor compliance by the Issuer with the undertakings set forth in this condition 10, nor be liable to any person for not so doing.

## 11. **Prescription**

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

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

## 12. **Replacement of Bonds**

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

## 13. **Meetings of Bondholders, Modification and Waiver, Substitution**

### 13.1 **Meetings of Bondholders**

13.1.1 The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these conditions or any provisions of the Trust Deed or the Articles of the Issuer (in the case of the Articles of the Issuer, which would vary, abrogate or modify the rights appertaining to the Ordinary Shares). Such a meeting may be convened by the Issuer, or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 25% in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, inter alia:

13.1.1.1 to change the Final Maturity Date or the dates on which interest is payable in respect of the Bonds;

13.1.1.2 to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to condition 6.2, or 6.4;

13.1.1.3 to reduce or cancel the principal amount of, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds;

13.1.1.4 to modify the basis for calculating the interest payable in respect of the Bonds;

- 13.1.1.5 to modify the provisions relating to, or cancel, the Conversion Rights or the rights of Bondholders to receive Ordinary Shares on the exercise of Conversion Rights pursuant to these conditions, and other than a reduction to the Exchange Price or an increase in the number of Ordinary Shares to be issued to Bondholders on exercise of Conversion Rights);
  - 13.1.1.6 to increase the Exchange Price (other than in accordance with these conditions) or to reduce the number of Ordinary Shares to be issued to Bondholders on exercise of Conversion Rights;
  - 13.1.1.7 to change the currency of the Bonds or any payment in respect of the Bonds;
  - 13.1.1.8 to change the governing law of the Bonds, the Trust Deed, (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under condition 13.3 to modify the Articles of the Issuer so as to vary, abrogate or modify the rights appertaining to the Ordinary Shares: or
  - 13.1.1.9 to modify the provisions concerning the required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding.
- 13.1.2 Any Extraordinary Resolution duly passed by the Bondholders shall be binding on all of the Bondholders (whether or not they were present at any meeting at which such resolution was passed and whether or not they voted on such resolution).
- 13.1.3 The Trust Deed provides that:
- 13.1.3.1 a resolution passed at a meeting duly convened and held by or on behalf of the Holder(s) of not less than three-fourths of the persons eligible to vote at such meeting;
  - 13.1.3.2 a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Bonds for the time being outstanding; or
  - 13.1.3.3 consents 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 Holder(s) of not less than three-fourths in principal amount of the Bonds for the time being outstanding,
- shall, in each case, be effective as an Extraordinary Resolution of the Bondholders.

## 13.2 Modification and Waiver

13.2.1 The Trustee may agree, without the consent of the Bondholders, to:

13.2.1.1 any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed the Bonds or these conditions or the Articles of the Issuer which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law; and

13.2.1.2 any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Bonds or these conditions, or the Articles of the Issuer (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Bonds or these conditions, or the Articles of the Issuer which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may, without the consent of the Bondholders, determine that any Event of Default or Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders are not materially prejudiced thereby. Any such modification, authorisation, waiver or determination shall be binding on the Bondholders and, if the Trustee so requires, shall be notified to the Bondholders promptly in accordance with condition 16.

13.2.2 The Trustee shall, without the consent of the Bondholders, agree to any substitution as provided in, and for the purposes of, condition 10.1.1.6 following (or as part of) a Newco Scheme as more particularly described in the Trust Deed. In addition, the Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Bondholders, to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed subject to the Bonds continuing to be convertible *mutatis mutandis* as provided in these Conditions, into Ordinary Shares, with such amendments as the Trustee shall consider appropriate provided that in any such case, (a) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (b) certain other conditions set out in the Trust Deed being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified to the Bondholders promptly in accordance with Condition 16.

### 13.3 Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this condition) the Trustee shall have regard to the interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders, except to the extent already provided for in these conditions or the Trust Deed.

### 14. Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such proceedings or any other action or step in relation to the Trust Deed or the Bonds unless:

- 14.1 it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding; and
- 14.2 it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder 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.

### 15. The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including:

- 15.1 provisions relieving it from taking actions, steps or proceedings unless indemnified and/or secured and/or prefunded to its satisfaction; and
- 15.2 provisions limiting or excluding its liability in certain circumstances. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled:
  - 15.2.1 to evaluate its risk in any given circumstance by considering the worst-case scenario; and
  - 15.2.2 to require that any indemnity or security given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence

satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

- 15.3 The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or opinion or any advice of any accountants, financial advisers, financial institution an Independent Adviser or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and such report, opinion, confirmation, or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders.

## 16. Notices

- 16.1 Any notice or other communication to be given under these Conditions must be in writing and will be served by delivering it personally or sending it by pre-paid post or by email (provided receipt is acknowledged) to the address set out below. Any notice will be deemed to have been received:
- 16.1.1 if delivered personally, at the time of delivery;
  - 16.1.2 in the case of pre-paid post, 48 hours from the date of posting;
  - 16.1.3 in the case of registered airmail within three (3) Business Days of the date of posting; and
  - 16.1.4 in the case of email, at the time of receipt.
- 16.2 If deemed receipt occurs before 9:00am on a Business Day the notice is deemed to have been received at 9:00am on that day and if deemed receipt occurs after 5:00pm, the notice is deemed to have been received at 9:00am on the next Business Day.
- 16.3 The address for such communications to the Issuer shall be to: 2nd Floor Chancery House, 11-17 Leas Road, Guildford, Surrey GU1 4QW, marked "for the attention of Ilene Hardy" or to e-mail address: [ilene.hardy@woodbois.com](mailto:ilene.hardy@woodbois.com) or such other address as shall be notified in writing by the Issuer to the Bondholders from time to time with copies to the Transfer Agent.
- 16.4 The address for such communications to a Bondholder shall be to the Bondholder at the address or e-mail address as specified in the Register from time to time or such other address or e-mail address as specified in written notice by a Bondholder to the Issuer from time to time.

## 17. Contracts (Rights of Third Parties) Act 1999

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

## 18. **Governing Law and Jurisdiction**

### 18.1 **Governing Law**

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

### 18.2 **Jurisdiction**

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