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For the avoidance of doubt, this standard form is in a non-binding, recommended form. Individual parties are free to depart from the terms of this form and should always satisfy themselves of the taxation, regulatory and accounting implications of its use.



AFME Standard Form

Research Guidelines

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MEMORANDUM
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**Form of US and UK Research Guidelines – Rule 144A/Reg S High Yield Bond Offerings
AFME Form Draft dated October 7 2011
[Originally prepared by White & Case LLP and Slaughter and May]**

MEMORANDUM

Date: [], 20[]
To: [Initial Purchasers/Syndicate Members]
From: [Initial Purchasers' Legal Counsel]
Re: **Memorandum for Syndicate Members relating to the distribution of Research Reports in connection with a proposed high yield bond offering by [Company]**

Introduction

This memorandum summarises the restrictions relating to the preparation, review and dissemination of newly issued and, to the extent republished or redistributed, previously issued Research Reports¹ concerning [Company] (together with its subsidiaries, the “**Company**”) by one or more of [Initial Purchasers] (the “**Initial Purchasers**”), other syndicate members, if any, potential managers or syndicate members, if any, each of their respective affiliates, if any, and Connected Analysts² (collectively, the “**Syndicate Members**”) prior to and during the proposed international offering (the “**Offering**”) of one or more series of high yield notes (collectively, the “**Notes**”) of the Company. This memorandum also outlines the procedures (attached hereto as the Schedule of Procedures in Appendix 1, the “**Procedures**”) that should be followed by any Syndicate Member that wishes to distribute Research Reports about the Company in the period leading up to and following the Offering.

This memorandum is not meant to be exhaustive in respect of the legal reasoning for instituting the Procedures or potential liability for statements made in or omitted from Research Reports. The Procedures are intended to mitigate the risk of contravening the laws of the United States and the United Kingdom. Furthermore, except as otherwise provided for herein, this memorandum is not intended to reflect restrictions on the distribution of Research Reports arising under the laws and regulations of any jurisdiction other than the United States and the United Kingdom. Syndicate Members must nonetheless comply with the relevant restrictions imposed by all jurisdictions in connection with their distribution of Research Reports. For further background information on such legal reasoning and potential liabilities on which the restrictions and procedures set out in this memorandum are based, please contact [Initial Purchasers' Legal Counsel], counsel to the Initial Purchasers, or the appropriate members of the relevant Syndicate Member's internal compliance department.

¹ The term “Research Report” includes any broker's circular, opinion or other research material regarding or referring to the Company, including pre-deal reports, company-specific ordinary course reports, industry or country reports, updates or reissues or redistributions of previously distributed reports, screen-based material and other material distributed through electronic means as well as excerpts from any of the following, regardless of whether such material is used, or intended to be used, by an investor or other party as part of an investment decision.

² The term “Connected Analyst” means an analyst working in the research department of an investment bank or broker which is in any way involved in the Offering, whether in an advisory capacity or in the distribution of the relevant securities, or, as the context requires, such bank or broker.

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For the purposes of this memorandum, it is assumed that the Offering will be made outside the United States pursuant to, and in reliance on, Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and within the United States only to “qualified institutional buyers” (“**QIBs**”) pursuant to Rule 144A under the Securities Act (“**Rule 144A**”). Research Reports will not be distributed in the United States, Canada or Japan (although under certain circumstances set out in the Schedule of Procedures, ordinary course research and industry reports may be distributed in the United States).

Key Dates

The following are the anticipated key dates for the distribution of Research Reports in advance of the Offering:

Commencement of Restricted Period :	As to each Initial Purchaser, from the earlier of the date on which it is mandated to act as an Initial Purchaser and the date hereof <i>until</i> the end of the Blackout Period (as defined below). As to each other Syndicate Member, from the earlier of the date on which such Syndicate Member submits a proposal to become a Syndicate Member and the date on which such Syndicate Member is invited to join the syndicate <i>until</i> the end of the Blackout Period.
Submission of pre-deal research for review³:	[], 20[] ([] ⁴ business days prior to distribution of the preliminary offering memorandum issued by the Company in connection with the Offering (the “ Preliminary Offering Memorandum ”))
Publication of pre-deal research :	On or prior to [], 20[] ([] ⁴ business days prior to distribution of Preliminary Offering Memorandum)
Commencement of Blackout Period :	[], 20[] ([] ⁴ business days prior to distribution of Preliminary Offering Memorandum)
Expected date of first distribution of the Preliminary Offering Memorandum :	[], 20[]

³ See Appendix 1, Section 1(m).

⁴ [Form Note: The length of the portion of the Blackout Period prior to the distribution of the Preliminary Offering Memorandum is subject to a number of transaction specific criteria, and the compliance group or in-house counsel of the lead managers should be consulted with respect to the appropriate length of this period for a particular transaction. A [] business day period, with a [] business day period for review of pre-deal research, is a suggested guideline.]

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End of Blackout Period and Restricted Period : The latest of (i) the completion of the distribution of the Notes⁵, (ii) the end of any stabilization period with respect to the Notes and (iii) the 41st day following the pricing of the Notes.

The “**Restricted Period**” is the period during which (subject to any limited exception described in the Procedures) no Research Reports about the Company shall be distributed into the United States, Canada or Japan [or to a U.S. person⁶], and to which the other applicable “Restricted Period” constraints included elsewhere in this memorandum are applicable.

The “**Blackout Period**” is the period during which no Research Reports about the Company shall be distributed anywhere in the world, and to which the other applicable “Blackout Period” constraints included elsewhere in this memorandum are applicable.

United States Legal Considerations⁸

Distribution of Research Reports outside the United States

No offer to sell or solicitation of an offer to buy a security may be made in the United States or to a U.S. person until a registration statement has been filed with the U.S. Securities and Exchange Commission (the “**SEC**”), unless there is an exemption from the registration requirements of the Securities Act (as discussed below).

Regulation S under the Securities Act provides a “safe harbor” for transactions that are deemed to fall outside the United States and thus are not subject to the registration requirements of the Securities Act. The Offering must fulfil certain conditions in order to qualify for such safe harbor, including an absence of “directed selling efforts” in the United States by the Company and the Syndicate Members. Directed selling efforts include any activity that is intended to, or could reasonably be expected to, condition the U.S. market for the Notes. The distribution of a Research Report in the United States [or to U.S. persons] could be considered directed selling efforts, thus making the safe harbor of Regulation S unavailable for the Offering. Accordingly, the distribution of Research Reports outside the United States must be accompanied by procedures reasonably designed to ensure that these reports will not flow into the United States, which could result in a loss of the Regulation S safe harbor.

⁵ The Initial Purchasers will determine when the distribution of Notes is complete and will notify the other Syndicate Members accordingly. Completion of the distribution typically occurs when the Initial Purchasers and all other Syndicate Members have sold all Notes issued in the Offering.

⁶ “U.S. person” is defined in detail in Regulation S. The most important categories of U.S. persons are (a) any natural person resident in the United States, (b) any partnership or corporation organized or incorporated under the laws of the United States, (c) any trust of which any trustee is a U.S. person and (d) any agency or branch of a foreign entity located in the United States. The term “U.S. person” should also be deemed to include any non-U.S. branch or agency of a U.S. person with the exception of non-U.S. branches or agencies of U.S. banks or insurance companies that are regulated in the jurisdiction where located.

⁷ [Form Note: Depending upon the type of transaction proposed, a review should be undertaken as to whether the distribution of Research Reports to U.S. persons outside the United States should be restricted. The restriction may be particularly appropriate where there is a related U.S. registered offering or if the underlying security has substantial U.S. market interest.]

⁸ To the extent that the Company meets certain specified criteria, including under Rule 139 of the Securities Act, distribution participants may under limited circumstances publish or distribute research reports regarding the subject Company in the U.S., provided that they are not initiating coverage in connection with the related Offering. Any Syndicate Member desiring to publish any such ongoing Research Report should first consult its legal counsel.

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The attached Procedures set forth in Appendix 1 hereto permit the Syndicate Members to distribute Research Reports outside the United States to institutions that have an established place of business outside the United States [other than during the Blackout Period], provided the Syndicate Members follow prevailing market practices and comply with all local laws and regulations for international offerings in such jurisdictions, including the use of the appropriate legends. However, they place on each of the Syndicate Members that distributes Research Reports the obligation to take steps to ensure that the Research Reports it distributes are not sent into the United States [or to U.S. persons].

Distribution of Research Reports in the United States

In the United States, the Notes are expected to be offered by the Initial Purchasers pursuant to the exemption from SEC registration available under Rule 144A. In order to maintain this exemption, neither the Company nor any participants in the distribution (including the Syndicate Members and each of their affiliates) may engage in general advertising or general solicitation in connection with the Offering. The Notes may be offered within the United States only to QIBS. The general distribution of Research Reports relating to the Company in the United States could be considered general advertising or general solicitation in connection with the Offering, thereby jeopardizing the Rule 144A exemption. The non-U.S. portion of the Offering are also subject to U.S. regulation (as discussed above).

In order to reduce the risks of losing the Rule 144A exemption for the U.S. portion of the Offering and the availability of the Regulation S safe harbor for the non-U.S. portion of the Offering, none of the prospective Syndicate Members should distribute or transmit, directly or indirectly, any Research Reports relating to the Company in the United States during the Restricted Period. In addition, any distribution of Research Reports outside the United States during the Restricted Period should be made in such a manner as to ensure that such reports are not subsequently or indirectly sent to the United States.

Syndicate Members also will be subject to the general antifraud provisions of the U.S. securities laws, including Rule 10b-5 under the U.S. Securities Exchange Act of 1934, as amended (“**Rule 10b-5**”). Rule 10b-5 imposes liability for material misstatements or omissions in connection with the purchase or sale of a security. An action under Rule 10b-5 requires proof of the defendant’s recklessness or intent to defraud, deceive or manipulate. Accordingly, it is necessary in any Research Report to avoid making statements, or otherwise disseminating information, that (i) are inconsistent with or go beyond the information provided in the offering document/prospectus to be prepared in connection with the Offering, thereby increasing the potential basis for disclosure liability, (ii) are inaccurate, or (iii) are misleading in the context in which they are made.

Consequences of a Breach of the Procedures

Any distribution of Research Reports in violation of the above guidelines could result in the loss of the Rule 144A exemption from the registration requirements of the Securities Act as well as the benefits accorded by the Regulation S safe harbor (as discussed above). Any Syndicate Member who commits any such violation would possibly have to be removed from the transaction in order to minimize the risk of the Offering losing its exemption.

To mitigate the effect of an improperly distributed Research Report, the Initial Purchasers or their internal and external counsel may determine that a “cooling-off” period is appropriate based on specific facts and circumstances, or in certain cases the SEC could delay the Offering to allow for a “cooling-off” period, during which, in either case, the effect of such Research Report could dissipate. Any such delay would be very disruptive to the timetable for the Offering.

Other possible consequences include the imposition of civil or criminal liability on Syndicate Members for violating the U.S. securities laws. For example, in the event the Research Report were

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deemed to constitute part of the Offering documentation, Syndicate Member could also be subject to the general antifraud provisions of the U.S. securities laws, including Rule 10b-5. Rule 10b-5 imposes liability for material misstatements or omissions in connection with the purchase or sale of a security. Accordingly, care should be taken in any Research Report to avoid making statements, or otherwise disseminating information, that (ii) are inaccurate, or (iii) are misleading in the context in which they are made. In addition the information in the Research Report should be consistent with and similar in scope to the information provided in the offering document/prospectus to be prepared in connection with the Offering, thereby decreasing the potential basis for disclosure liability.

United Kingdom Legal Considerations

False or Misleading Statements

The author of a Research Report may become subject to criminal liability and/or a fine under Section 397 of the United Kingdom Financial Services and Markets Act 2000 (as amended) (the “**FSMA**”) for false or misleading statements, promises or forecasts or material omissions in the report which may “induce” another person to purchase securities. The offence may be committed even where the author did not intend to publish false or misleading information or to influence a person’s investment decision if the author is reckless as to these matters. It is also an offence under Section 397(3) of the FSMA to do any act or engage in any course of conduct that may create a misleading impression as to the market in or the price or value of securities and thereby “inducing” a person to acquire or dispose of, or refrain from purchasing securities.

A relevant concern is that a Research Report, particularly one issued in close chronological proximity to the final offering memorandum issued by the Company in connection with the Offering (the “**Offering Memorandum**”), might be regarded as forming part of the formal offering documentation and, therefore, an “inducement” for the purposes of Section 397 of the FSMA, especially if the Research Report is based solely on information provided by the relevant issuer. To the extent that a Research Report is regarded as an “inducement”, any false or misleading statements or material omissions in the Research Report could give rise to liability under Section 397 of the FSMA.

Another consideration (although less likely to be relevant) is that under Section 90A of the FSMA, issuers of securities may be liable to pay compensation to a person who deals in securities in reliance on “published information” and who suffers a loss as a result of any untrue or misleading statement in that information or omission of any matter required to be included in it. “Published information” includes all information published by the issuer by means of a recognised information service (“**RIS**”) and includes all information published by other means where the availability of the information has been announced by the issuer through an RIS.

In addition to liability under the FSMA, false or misleading statements in a Research Report may also give rise to civil liability at common law.

In light of the foregoing, the Procedures require the Syndicate Members to ensure that information contained in a Research Report is true and accurate and not misleading. In addition, the Procedures are designed to minimise the risk that Research Reports might be deemed part of the formal offering documentation and thereby an “inducement” for the purposes of Section 397 of the FSMA.

Fraud Act 2006 / Theft Act 1968

The author of a Research Report may also be subject to criminal liability under the Fraud Act 2006. Section 2 of this Act makes it an offence for a person to dishonestly make a false representation with the intent of making a gain for himself or another, or causing loss or exposure to risk of loss to another. Representations can be in relation to facts or opinions and can be express or implied. Section 3 of the Fraud Act 2006 makes it an offence for a person to dishonestly fail to disclose to

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another person information which he is under a legal duty to disclose (for example under the FSMA) with the intention of making a gain for himself or another, or causing loss or exposure to risk of loss to another. Provided that there is the necessary intent and presence of dishonesty, it is not necessary to show that any gain or loss actually occurred.

Section 19 of the Theft Act 1968 makes it an offence for any officer of a company, with intent to deceive its members or creditors, to publish or concur in publishing a written statement of account that to his or her knowledge is or may be misleading, false or deceptive in a material particular.

Market Abuse - FSMA

The dissemination of false or misleading statements in Research Reports may also amount to a civil offence of market abuse under Sections 118 to 131 of the FSMA. The market abuse regime applies to all companies and individuals, whether or not they are authorised under the FSMA. A person commits market abuse if, in relation to securities traded on a prescribed UK market (or in respect of which a request for admission to trading in such a market has been made), and, in relation to (a) and (b) below, investments related to such securities, such person either:

- (a) deals or attempts to deal in the securities on the basis of “inside information”⁹;
- (b) discloses inside information to another person other than in the proper course of the exercise of such person’s employment, profession or duties;
- (c) behaves, based on information that is not generally available to the public, in a manner which a “regular user” of the market would regard as a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in such person’s position; and such information, if it were available, is of a type that a “regular user” would consider to be relevant to the terms on which transactions in the securities are effected;
- (d) effects transactions or orders to trade in those securities (other than for legitimate reasons and in conformity with certain accepted market practices on the relevant market) which give (or are likely to give) a false or misleading impression as to the supply or demand, or price or value, of the securities or are intended to raise, lower or maintain the price of the securities at an abnormal or artificial level;
- (e) effects transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance;
- (f) disseminates information which gives or is likely to give a false or misleading impression as to the securities or the issuer of the securities; or

⁹ The term “inside information” for these purposes means information of a precise nature that is not generally available, which relates, directly or indirectly, to one or more qualifying investments (which includes shares and bonds and related instruments traded on a prescribed UK market) which if generally available would be likely to have a significant effect on the price of the qualifying investment or on the price of related investments.

Information is precise if it indicates circumstances that exist or may reasonably be expected to come into existence, or an event that has occurred or may reasonably be expected to occur, and is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of the securities in question. Information would be likely to have a significant effect on price if (and only if) it is information of the kind which a reasonable investor would be likely to use as part of the basis of an investment decision.

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(g) behaves in a manner that is likely to give a “regular user” of the market a false or misleading impression as to the supply or demand for or price or value of the securities or would be regarded by a “regular user” of the market to distort or be likely to distort the market in those securities and which in each case is likely to be regarded by a “regular user” as a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in such person’s position in relation to the market.

The penalties for committing market abuse may include an unlimited fine and/or or public censure (with restitution or a restraining injunction in extreme cases). Guidance as to whether or not behaviour amounts to market abuse, as well as certain safe harbours for types of behaviour which do not amount to market abuse, is set out in the Financial Services Authority (“FSA”) Code of Market Conduct and the FSMA.

Requiring or encouraging any of the above will also constitute an offence. An author of a Research Report who is in possession of inside information may violate the market abuse regime by requiring or encouraging anyone to deal in such securities. It must also be ensured that the Research Report does not create a false or misleading impression as to the value of the Company’s listed securities or do anything to distort the market in those securities.

Insider Dealing

It is an offence under Part V of the Criminal Justice Act 1993 (as amended) (the “CJA”) for anyone in possession of “inside information”, (i) which is specific and precise, (ii) which has not been made public, (iii) which would have a significant effect on the securities if it were made public and (iv) which relates to securities listed on any of a number of prescribed regulated markets, to deal or to “encourage” anyone to deal in such securities. It is also an offence for a person to disclose such information otherwise than in the proper performance of the functions of his employment, office or profession.

Although the CJA does not directly address the issue of Research Reports, the provisions of the CJA may apply if the author of such report possesses non-public “inside information”. Even though at the time of initial distribution of Research Reports the Notes will not be listed on a regulated market, the Research Report may still be in circulation after listing occurs and after such time the provisions of the CJA may apply. Therefore, as noted in the Procedures, each of the Managers should be satisfied that those individuals preparing or distributing a Research Report are not in possession, whether before or after the Offering, of any non-public “inside information” concerning the Company or its securities.

In addition to offences under the CJA, “market abuse” under Section 118 of the FSMA may be committed where the author of a Research Report possesses non-public “inside information” concerning the Company or its securities. The publication of the offending document would be likely to be said to “encourage” the commission of market abuse (a form of secondary market abuse). The commission of primary or secondary market abuse can result in an unlimited fine or public censure (and/or restitution or a restraining injunction in extreme cases).

Financial Promotion

Research Reports generally fall within the scope of the “financial promotion” regime under Section 21 of the FSMA. Section 21 of the FSMA contains a general prohibition on financial promotion which provides that a person must not, in the course of business, communicate an invitation or inducement to engage in investment activity in the United Kingdom unless that person is authorised by the FSA (an “authorised person”), or the content of the communication is approved by such authorised person or the communication falls within a specific exemption. .

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Under Section 25 of the FSMA, an unauthorised person who communicates an invitation or inducement in contravention of Section 21 is guilty of a criminal offence punishable by imprisonment and/or the imposition of a fine. Under Section 26 of the FSMA, investment agreements entered into as a result of an unlawful financial promotion are unenforceable and investors are entitled to the return of any property invested and compensation for any loss sustained as a result of parting with such property, unless the court is satisfied that it is just and equitable for the agreement to be enforced or any money or property to be retained.

There are various statutory exemptions from the Section 21 FSMA prohibition on unauthorised persons issuing financial promotions. The principal exemptions are contained in Articles 19 and 49 of the FSMA 2000 (Financial Promotion) Order 2005 (as amended) (the “**Financial Promotion Order**”). Under Article 19, the financial promotion restriction does not apply to an invitation or inducement to engage in investment activity which is communicated only to recipients whom the person making the communication believes on reasonable grounds to be “investment professionals” or which may reasonably be regarded as directed only at such recipients. The principal categories of “investment professionals” are described in the Procedures. Under Article 49 a similar exemption applies in relation to invitations or inducements to engage in investment activity which are made to or directed at certain high net worth companies, unincorporated associations etc.

Authorised persons are not subject to the Section 21 FSMA prohibition. Authorised persons may both communicate financial promotions themselves and approve communications made by others, subject to compliance with Chapters 4 and 12 of the FSA’s Conduct of Business Sourcebook (“**COBS 4**” and “**COBS 12**”, respectively), as explained in further detail below.

Based on the foregoing, the Procedures require that Research Reports may only be communicated in the United Kingdom (or outside the United Kingdom if such communication is capable of having an effect in the United Kingdom):

- (i) by, or with the approval¹⁰ of, a Syndicate Member that is an authorised person; or
- (ii) to “investment professionals” of the kind described in Article 19 of the Financial Promotion Order or high net worth companies, unincorporated associations etc of the kind described in Article 49 of the Financial Promotion Order.

Note that communications are considered to be distributed in the United Kingdom if they are capable of having an effect in the United Kingdom. This could, for example, affect a Research Report posted on a website located outside the United Kingdom but which is accessible by United Kingdom investors. If it is intended that a research report will be sent into the UK by an unauthorised person, or if it is made available by such a person to persons who are in the UK, in circumstances where the report has not been approved by an FSA authorised person, specific advice should be sought. Such communication may only be made to investment professionals of the kind described in Article 19 or high net worth companies etc of a kind described in Article 49 of the Financial Promotion Order.

FSA Rules on Preparation and Distribution of Investment Research

Where Research Reports are prepared or distributed (whether in or outside of the United Kingdom) by an authorised person, that person is subject to the rules and guidance of the FSA, and in particular to the rules in COBS 4 and COBS 12.

COBS 4 contains rules on communicating with clients, including financial promotions. COBS 4 applies not only to financial promotions communicated or approved by an authorised person, but also to the dissemination of marketing and other communications by an authorised person to one or more

¹⁰ For these purposes, approval means approval for Section 21 FSMA purposes.

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clients or potential clients. In particular, COBS 4 requires such communications and promotions to be readily identifiable as such. Where this is not obvious from the document itself, prominent and appropriate warnings should be included, clarifying the document's promotional or marketing intent. In addition, an authorised person must ensure that research reports communicated or approved by it are fair, clear and not misleading.

COBS 12 contains rules which derive from requirements regarding the preparation and distribution of investment research contained in the Markets in Financial Instruments Directive (2004/39/EC) and the Market Abuse Directive (2003/6/EC).

The rules in COBS 12.2 apply to FSA authorised banks and Connected Analysts (and their employees etc) that produce investment research that explicitly or implicitly recommends or suggests an investment strategy and which is labelled or described as investment research, or which is otherwise presented as an objective or independent explanation of the matters contained in the recommendation. Firms subject to COBS 12.2 must implement measures for managing conflicts of interest in relation to the financial analysts involved in the production of such investment research and other persons whose responsibilities or business interests may conflict with the interests of persons to whom investment research is disseminated. The rules and guidance of the FSA require the firm concerned to maintain internal systems and procedures and conflicts of interest policies to ensure that the following conditions are satisfied:

- (i) if a financial analyst or other relevant person has knowledge of the likely timing or content of investment research which is not publicly available or otherwise available to clients and the information contained in the research cannot readily be inferred from information that is so available, that financial analyst or other relevant person must not trade in financial instruments to which the investment research relates or in any related financial instruments, on behalf of himself or any other person (including his firm) other than as market maker acting in good faith and in the ordinary course of market making or in the execution of an unsolicited client order, until the recipients of the investment research have had a reasonable opportunity to act on it;
- (ii) in circumstances not covered by (i), the financial analyst and any other relevant persons involved in the production of investment research must not undertake personal transactions in financial instruments to which the investment research relates, or in any related financial instrument, contrary to current recommendations, except in exceptional circumstances and with the prior approval of a member of the firm's legal or compliance function;
- (iii) the firm itself, financial analysts, and other relevant persons involved in the production of investment research must not accept inducements from those with a material interest in the subject matter of the investment research;
- (iv) the firm itself, financial analysts, and other relevant persons involved in the production of investment research must not promise issuers favourable research coverage; and
- (v) issuers, relevant persons other than financial analysts, and any other persons must not, before the dissemination of investment research, be permitted to review a draft of the investment research for the purpose of verifying the accuracy of factual statements made in that investment research, or for any other purpose other than verifying compliance with the firm's legal obligations, if the draft includes a recommendation or a target price.

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The condition in (v) above is to be interpreted as a stipulation that issuers, persons acting on their behalf and other persons should only ever review investment research for the purpose of verifying factual statements made in the research or otherwise for the purpose of verifying compliance with applicable legal obligations including compliance with the obligations outlined in this memorandum. However, where the research contains a recommendation or target price, it may only be reviewed for the sole purpose of verifying compliance with applicable legal obligations.

FSA guidance in COBS 12.2 indicates that it expects firms to consider whether or not other business activities of the firm could create the reasonable perception that its investment research may not be an impartial analysis of the market in, or the value or prospects of, a financial instrument. A firm would therefore be expected to consider whether to include restrictions on the timing of the publication of investment research in its conflicts of interest policy. For example, a firm may need to consider whether it should restrict publication of relevant investment research around the time of an investment offering.

FSA guidance in COBS 12.2 also indicates that financial analysts responsible for research that is to be held out as independent should not become involved in activities other than the preparation of investment research where such involvement is inconsistent with the maintenance of the financial analysts' objectivity. The FSA indicates that the following should ordinarily be considered as inconsistent with the maintenance of a financial analyst's objectivity:

- (i) participating in investment banking activities such as corporate finance business and underwriting; or
- (ii) participating in "pitches" for new business or "road shows" for new issues of financial instruments; or
- (iii) being otherwise involved in the preparation of issuer marketing.

Firms will also need to comply with rules on personal account dealing.

In addition, there are further FSA rules in COBS 12.3 that apply in respect of "non-independent research". Non-independent research is defined as a research recommendation (see below) which relates to financial instruments and which does not constitute objective / independent research under COBS 12.2. Under COBS 12.3, a firm which produces or disseminates non-independent research must ensure that it:

- (i) is clearly identified as a marketing communication; and
- (ii) contains a clear and prominent statement that it has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

COBS 12.4 contains a further set of over-arching requirements that apply to "research recommendations" which comprise research or other information:

- (i) intended for distribution to a large number of persons and which relates to financial instruments admitted to trading on a regulated market in the European Economic Area ("EEA") (or for which an application for admission has been made); and
- (ii) which explicitly or implicitly recommends or suggests an investment strategy or expresses an investment recommendation or opinion as to the present or future value or price of such investments.

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Whilst more detailed consideration of COBS 12.4 requirements should be made as necessary, they are directed at ensuring that (i) research is fairly presented, (ii) relationships that could give rise to conflicts of interest are appropriately disclosed and (iii) relevant internal arrangements for managing potential conflicts are resolved.

Public Offering

Section 85 of the FSMA prohibits any person from offering securities to the public in the United Kingdom unless such offering is implemented through the publication of a prospectus approved by the competent EEA authority of the home state in relation to the issuer of the securities. The term “offer to the public” is defined to include any “communication to any person which presents sufficient information on (a) the transferable securities to be offered, and (b) the terms on which they are offered; to enable an investor to decide to buy or subscribe for the securities in question”. Because of the broad nature of this definition there is a risk that Research Reports may constitute an offer of securities to the public in the United Kingdom.

Section 86 contains a number of exemptions from the prohibition set out above. For example the requirement to produce a prospectus does not apply to an offering in the United Kingdom that is made to or directed at only “qualified investors” (as such term is defined in Section 86 of the FSMA). It should be noted that a different set of exemptions will apply where transferable securities are to be admitted to trading on a regulated market situated or operating in the EEA.

[Other Relevant Jurisdiction] Legal Considerations¹¹

[Insert if necessary]

Laws of Other Jurisdictions

It should be noted that *[Initial Purchasers’ Legal Counsel]* has not conducted a survey of any applicable legal or other constraints regarding the distribution of Research Reports in any jurisdiction other than those specifically referred to in this memorandum (although references to restrictions on distribution of research into Canada and Japan herein is based on past practice). In distributing Research Reports outside of the jurisdictions covered in this memorandum, each Syndicate Member should follow prevailing market practices in international offerings in such jurisdictions, including the use of appropriate legends and/or the restriction of the distribution of Research Reports to institutional investors if necessary. In addition, the Syndicate Members should not distribute Research Reports anywhere in the world during the Blackout Period, regardless of local market practice. We would be pleased to assist you, either directly or in cooperation with local counsel, with any particular legal issues arising in connection with the distribution of Research Reports in any jurisdiction not specifically covered in this memorandum.

* * *

Each Syndicate Member is strongly advised to read the Procedures attached hereto as Appendix 1 carefully and comply with the guidance set forth therein if it wishes to distribute Research Reports about the Company in the period leading up to and following the Offering.

If these procedures are not followed, then the Offering could be subject to significant delay and the relevant Syndicate Member may be excluded from the syndicate and/or be subject to other sanctions, risks and liabilities.

¹¹ [Form Note: The Initial Purchasers and their legal counsel to determine if these guidelines should also cover legal considerations in other jurisdictions. If not, this header should be removed.]

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Neither the Company nor any Syndicate Member, nor any of their respective affiliates, nor any investment manager or investment adviser for the Company, should cooperate in the preparation of research reports about the Company by any securities firm not participating in the Offering.

Questions relating to this memorandum should be addressed to [] of [*Initial Purchasers' Legal Counsel*], counsel for the Initial Purchasers.

APPENDIX 1

SCHEDULE OF PROCEDURES

These procedures should be read in connection with the memorandum, dated [], 20[] to which this Appendix 1 is attached (the “**Memorandum**”). Terms defined in the Memorandum shall have the same meaning in this Schedule.

1. PROCEDURES APPLICABLE TO ALL RESEARCH REPORTS

The following procedures shall apply (unless otherwise indicated) to all Research Reports published or otherwise distributed during the Restricted Period that mention the Company, including pre-deal research¹², ordinary course research and industry reports:

- (a) **Publicly Available Information:** Each Syndicate Member should be satisfied that the Connected Analyst responsible for preparing and issuing the Research Report is not in possession of any information relating directly or indirectly to the Company or its securities which has not been made public and will not be included in the Offering Memorandum and which, if made public, might affect the price of the Notes (“**inside information**”). Both the Connected Analyst and the Company must appreciate in their dealings with each other, that information disclosed by the Company must be limited to such information as does not constitute inside information. In addition, such Connected Analysts must not attend any drafting, due diligence or verification meetings in connection with the Offering.
- (b) **Distribution of Offering Memorandum:** Under no circumstances should drafts of the Offering Memorandum be passed on to a Connected Analyst.
- (c) **Content of Research Report:** Research Reports must be produced using a high standard of care to ensure that they are fair, clear and not misleading (including by omission) and should comply with the following:
 - (i) *Connected Analyst Access:* the Research Report must be, and must appear to be, an outsider’s view of the Company that has been independently produced by the Connected Analyst;
 - (ii) *Source of Information:* the source (and, where appropriate, the quality) of the information must be made clear. In particular, where statements are matters of opinion or conjecture of the author, explicit reference must be made to this fact, and there should be a reasonable basis for such opinion or conjecture;
 - (iii) *Substantiation:* to the extent that statements and their implications can be substantiated against appropriate sources, this should be done. To the extent that they cannot be substantiated, this must be made clear;
 - (iv) *Historic Information:* to the extent that information is based on published or historic information, and particularly if this has not been updated, this should be made clear;
 - (v) *Author’s Own Views:* Nothing in the Research Report should suggest that any part of it has been written, verified or authorized by the Company;

¹² The term “pre-deal Research Reports” includes any Research Report which is not the result of ordinary course research or industry reports.

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- (vi) *Non-comprehensive*: it should be made clear that the document does not, and does not attempt to, contain everything material that there is to be said about the Company;
- (vii) *Projections, Forecasts and Estimates*: projections, forecasts or estimates for the Company may be included if prepared by, and it is clear that they were prepared by, the author of the Research Report independently of the Company, any other Syndicate Member or any of their respective advisors and if accompanied by an explanation including a full statement of the assumptions made in connection with such projections, forecasts or estimates. The projections, forecasts or estimates must be derived from publicly available or other identified sources independent of the Company, any other Syndicate Member or any of their respective advisors. Connected Analysts should satisfy themselves as to the reasonableness of any projections, forecasts or estimates. No comment should be made by the Company or any of the Company's shareholders on the reasonableness of projections, forecasts or estimates contained in any Research Report;
- (viii) *Time Limit for Projections*: no projections, forecasts, estimates or other forward-looking information for the Company should relate to any period ending more than [●]¹³ years from the date of completion of the Offering;
- (ix) *EBITDA and Other Metrics*: any proposal to include forecasts of EBITDA and other related metrics in ordinary course research to be issued during the Restricted Period should be discussed with [Initial Purchasers' Legal Counsel];
- (x) *Independence*: each Research Report must be produced independently of the divisions or departments of the Syndicate Member responsible for the management and distribution of the Offering. A Syndicate Member's Connected Analysts should generally not communicate with the divisions or departments of the Syndicate Member responsible for the management and distribution of the Offering (save as permitted by such Syndicate Member's internal policies) or any other Syndicate Member with respect to the Offering. Effective "Chinese walls" must be maintained between the research function and the corporate and general financial advisory function within the institution for which each Connected Analyst works;
- (xi) *Date*: each Research Report must be clearly dated and dated no later than the last date specified in the Offering Memorandum;
- (xii) *Non-United States Distribution*: Research Reports being distributed outside the United States must not contain any information relating to U.S. analysts, U.S. affiliates of any Syndicate Member issuing a Research Report or any of their U.S. offices. Under no circumstances should Research Reports provide contact information in the United States; and
- (xiii) *[Accuracy of contents*: Information contained in a Research Report must be true, accurate and not misleading (including by omission). For the protection of Syndicate Members, the Company and their respective advisers, care must be taken to minimise the potential for false or misleading statements appearing in a Research Report. Statements must therefore be carefully checked and, if appropriate, explanations, caveats, sources and qualifications should be included.]

In addition, all applicable legal and regulatory requirements in any relevant jurisdiction (including, where appropriate, the FSA) in relation to the preparation, publication and

¹³ [Form Note: Guideline.]

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distribution of the Research Report should be complied with and, prior to publication, the Research Report should be reviewed in accordance with the respective Syndicate Member's applicable internal compliance procedures.

- (d) **Eligible Recipients of Research:** Pre-deal Research Reports should not be made available to the public at large, the press or other media, and should only be made available to institutional investors on the Connected Analyst's current research mailing list. If there is any doubt as to whether the intended recipient is to be considered an institutional investor in any particular jurisdiction the Connected Analyst's internal compliance department or [Initial Purchasers' Legal Counsel] should be consulted in advance. In no circumstances should a pre-deal Research Report be distributed to a private or retail investor (however substantial or sophisticated) or a member of the general public. Any recipient of a pre-deal Research Report must be instructed not to make it (nor any copy) available to any third party.

In addition, Research Reports must only be distributed in the United Kingdom (i) by or with the approval¹⁴ of a person who is authorised to carry on regulated activities in the United Kingdom for the purposes of the FSMA (an "authorised person"), (ii) to "investment professionals" falling within Article 19(5) of the Financial Promotion Order (the "Order") or (iii) to "high net worth entities" falling within Article 49(2)(a) to (d) of the Order. The principal categories of "investment professionals" and "high net worth entities" for these purposes are specified below:

- (i) authorised persons (i.e. bankers, brokers and dealers);
- (ii) persons who are exempt from the general prohibition in Section 19 of the FSMA, provided the report relates to a controlled activity which is a regulated activity in relation to which the person is exempt;
- (iii) governments, local authorities [(whether in the United Kingdom or elsewhere)] or international organisations;
- (iv) persons whose ordinary activities involve the carrying on for the purposes of business of controlled activities to which the report relates, or who may reasonably be expected to carry on such activity for the purposes of business;
- (v) any body corporate which has, or which is a member of the same group as an undertaking which has, a called-up share capital or net assets of not less than:
 - (i) if the body corporate has more than 20 members or is a subsidiary undertaking of an undertaking which has more than 20 members, £500,000;
 - (ii) otherwise, £5 million;
- (vi) any unincorporated association or partnership which has net assets of not less than £5 million;
- (vii) the trustee of a trust where the aggregate value of the cash and investments which form part of the trust's assets (before deducting the amount of its liabilities):
 - (i) is £10 million or more; or

¹⁴ For these purposes, approval means approval for Section 21 FSMA purposes.

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- (ii) has been £10 million or more at any time during the year immediately preceding the date on which the Research Report was first made or directed; and
- (viii) directors, officers or employees of any company, organisation or authority included in the above categories whose responsibilities in that capacity involve him in the carrying on of controlled activities.

Research Reports should, additionally, only be distributed in any member state of the European Economic Area that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any member state, the “**Prospectus Directive**”) to “qualified investors” in that member state as defined in the Prospectus Directive.

Distribution of ordinary course research should be consistent with the past practice of the Syndicate Member.

- (e) **Blackout Period:** Unless otherwise notified in writing by the Initial Purchasers or their affiliates, *Research Reports must not be published or distributed anywhere in the world during the Blackout Period.* The Initial Purchasers shall notify each other Syndicate Member in writing of the commencement of the Blackout Period.
- (f) **Manner of Distribution:** Pre-deal Research Reports should not be sent to the press, nor may they be published on any screen-based or electronic information service or database (including, but not limited to, the Internet) and no Research Reports should be distributed at, or with any invitations to, any roadshow or investor meeting. Pre-deal Research Reports should be prepared and delivered only in physical form. [Research Reports must not be re-issued, or otherwise made available to potential investors, at any time during the Blackout Period, including at the time of publication of the Offering Memorandum].
- (g) **Discussion of Offering:** Pre-deal Research Reports should not generally discuss the Offering, other than a brief discussion of the Offering based solely on information already made public by the Company. If a pre-deal Research Report contains a projected or estimated offer size, it should be attributed to the Company only if the Company has publicly disclosed the expected offer size; otherwise, the Research Report should state the basis of the Connected Analyst’s assumptions regarding the offer size. Ordinary course Research Reports and industry reports should not discuss the Offering, other than to the limited extent already made public by the Company and in the latter case, recipients should be made to understand clearly that research is different in nature from the Offering Memorandum and that inaccuracies or inconsistencies in the Research Report or industry report should not be allowed to effect on or raise questions in respect of the Offering Memorandum.
- (h) **Consistent with Past Practice:** All Syndicate Members who distribute Research Reports should issue only such Research Reports in such manner as is consistent with their past practice. The number of pre-deal Research Reports distributed should be controlled. A record should be kept of the person to whom each pre-deal Research Report is sent and each such person should later be provided with a copy of the Offering Memorandum by the relevant Syndicate Member thereby ensuring reliance on that document rather than the pre-deal Research Report in reaching their investment decision. No Research Report shall be sent under the same cover as the Offering Memorandum or any other document issued by or on behalf of the Company in connection with the Offering.
- (i) **Distribution in the United States, Canada and Japan:** Research Reports may not be distributed or transmitted, directly or indirectly, by or on behalf of any Syndicate Member into the United States, Canada or Japan [or to U.S. persons (as defined in Regulation S)] at

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any time during the Restricted Period or the Blackout Period. Notwithstanding the foregoing, it may be permissible to distribute certain ordinary course research and industry reports in the United States, Canada or Japan during the Restricted Period, provided that the conditions in Sections 2(e) or 2(f) below (as the case may be) are satisfied.

- (j) **Distribution outside the United States:** During the Restricted Period, pre-deal Research Reports may be distributed (other than during the Blackout Period) outside the United States, Canada or Japan by a Syndicate Member only by such Syndicate Member's non-U.S. affiliate(s) that is not or are not participating in the U.S. portion of the Offering and only if such distribution is restricted to non-U.S. persons who appear on a list prepared by such Syndicate Member as described in this paragraph. Such list should consist only of persons who (a) are institutional investors on the Syndicate Member's current research mailing list and (b) have addresses outside the United States, Canada and Japan [and are not U.S. persons]. Each such Syndicate Member must, prior to every proposed distribution of a pre-deal Research Report, screen its list to ensure that all recipients meet these criteria. If any doubt exists regarding a recipient's U.S. status, the Syndicate Member must refrain from sending that person or entity a pre-deal Research Report. Research Reports may be distributed only to persons who the Syndicate Member has no reason to believe will, directly or indirectly, send such Research Reports into the United States, Canada or Japan [or to a U.S. person] (subject to Sections 2(e) and 2(f) below). In addition, a Syndicate Member may want to accompany all Research Reports with a cover letter that states that the report may not be distributed, directly or indirectly, in the United States, Canada, Japan or to U.S. persons and that distribution in the United Kingdom is limited. A form of cover letter is attached as Appendix 3 hereto.
- (k) **Affiliates of U.S. Persons:** Affiliates of U.S. persons, including affiliates of participants in the U.S. portion of the Offering, should be particularly careful in complying with the requirements specified in Sections 1(h) and 1(j) above.
- (l) **Legends:** All pre-deal Research Reports should contain the applicable legends in large type on the front cover and at the bottom of each page of the Research Report. These legends should contain language substantially to the effect as set out below. These legends should be included in addition to customary material including any material required by local regulatory requirements and any legend agreed with the Company.

[FRONT COVER LEGEND]

THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR PUBLISHED, TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS OR TO [ANY U.S. PERSON INCLUDING] (1) ANY UNITED STATES RESIDENT, OR (2) ANY PARTNERSHIP OR CORPORATION OR OTHER ENTITY ORGANISED OR INCORPORATED UNDER THE LAWS OF THE UNITED STATES OR ANY STATE THEREOF, OR (3) ANY TRUST OF WHICH ANY TRUSTEE IS A U.S. PERSON (AS DEFINED IN REGULATION S OF THE U.S. SECURITIES ACT OF 1933), OR (4) ANY AGENCY OR BRANCH OF A FOREIGN ENTITY LOCATED IN THE UNITED STATES. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE,

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ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION.

THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. ANY DECISION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN ANY OFFERING MUST BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN THE OFFERING MEMORANDUM OR OTHER PROSPECTUS ISSUED IN CONNECTION WITH SUCH OFFERING.

THIS DOCUMENT IS BEING DISTRIBUTED TO, AND IS DIRECTED ONLY AT, PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“EEA”) WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC) (AS AMENDED) (“QUALIFIED INVESTORS”). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UNITED KINGDOM AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. [*THE RELEVANT SYNDICATE MEMBER*] AND ITS AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS.

IN THE UNITED KINGDOM THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, PERSONS WHO ARE (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) (THE “ORDER”) OR (II) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE ORDER OR (III) ANY OTHER PERSONS TO WHOM IT MAY BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS BEING REFERRED TO AS “RELEVANT PERSONS”). THIS DOCUMENT IS ADDRESSED ONLY TO, AND DIRECTED ONLY AT, RELEVANT PERSONS AND QUALIFIED INVESTORS AND MUST NOT BE ACTED ON OR RELIED ON (I) IN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT BOTH RELEVANT PERSONS AND QUALIFIED INVESTORS OR (II) IN ANY MEMBER STATE OF THE EEA OTHER THAN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE ANY SECURITIES REFERRED TO IN THIS DOCUMENT WILL BE ENGAGED IN ONLY WITH, IN THE UNITED KINGDOM, RELEVANT PERSONS WHO ARE ALSO

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QUALIFIED INVESTORS, AND IN ANY MEMBER STATE OF THE EEA OTHER THAN THE UNITED KINGDOM, QUALIFIED INVESTORS.

THIS DOCUMENT HAS BEEN PRODUCED INDEPENDENTLY OF [COMPANY] (THE "COMPANY"), AND ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF [THE RELEVANT SYNDICATE MEMBER] AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. [THE RELEVANT SYNDICATE MEMBER] HAS NO AUTHORITY WHATSOEVER TO GIVE ANY INFORMATION, MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, [THE RELEVANT SYNDICATE MEMBER] HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF [THE RELEVANT SYNDICATE MEMBER], THE COMPANY, ITS SUBSIDIARIES, ITS AFFILIATES, THEIR RESPECTIVE ADVISORS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH.

[THE RELEVANT SYNDICATE MEMBER] IS OR MAY BE A SYNDICATE MEMBER IN RESPECT OF A PROPOSED OFFERING OF SECURITIES BY THE COMPANY.

[THE RELEVANT SYNDICATE MEMBER] (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY, TO THE EXTENT PERMITTED BY LAW, HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY AND [THE RELEVANT SYNDICATE MEMBER] MAY MAKE A MARKET OR ACT AS A PRINCIPAL IN ANY TRANSACTIONS IN SUCH SECURITIES.]

BY ACCEPTING THIS DOCUMENT YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

[PAGE LEGENDS]

Note: To be inserted at the bottom of each page of the Research Report except in Research Reports distributed pursuant to Sections 2(e) or 2(f) below.

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA OR JAPAN [OR TO A U.S. PERSON].

- (m) **Review of Research Reports:** All pre-deal Research Reports must be submitted in draft form for comment to the Company, [Company's Legal Counsel] and [Initial Purchasers' Legal Counsel] by 6 pm (London time) on [], 20[]. Such draft reports should be submitted to [] at the Company, [] at [Company's Legal Counsel], and to [] at [Initial Purchasers' Legal Counsel]. The review procedure does not involve verification or approval by the Company or [Company's Legal Counsel] or their respective representatives or advisers of the

MEMORANDUM

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contents of a Research Report, although errors in the Research Report may be struck out. Positive drafting suggestions will not be made and none of the Company or [*Company's Legal Counsel*] or their respective representatives or advisers will accept any liability in relation to the report. A Research Report may not be published until the review procedure is complete.

2. ADDITIONAL PROCEDURES APPLICABLE TO ORDINARY COURSE RESEARCH REPORTS

The following additional procedures shall apply in the case of ordinary course research (that is, Research Reports of a type that a Syndicate Member has regularly distributed in the past), in addition to the procedures set out in Section 1 of this Schedule of Procedures (unless otherwise specifically indicated therein):

- (a) **Projections:** The Research Report contains no rating or financial projections with respect to the Company that materially differ from the last published report unless publicly available information clearly contradicts the previous estimates.
- (b) **Publicly Available Information Only:** The Research Report contains no information obtained directly or indirectly from the Company other than information derived from documents and statements publicly disclosed by the Company.
- (c) **Responsive Research Only:** Any ordinary course Research Report distributed during the Restricted Period has been written in response to a significant event (such as release of interim or annual financial results or profit warning) or important transaction (such as a major acquisition) in response to which such Syndicate Member, consistent with past practice, would normally have published a Research Report or comment.
- (d) **Legends:** Any ordinary course Research Reports should contain the legend customarily used by such Connected Analyst with respect to similar Research Reports, subject to any legends required by applicable local law.
- (e) **Distribution in the United States:** In case a Syndicate Member wishes to distribute in the United States Company-specific ordinary course Research Reports prior to the commencement of the Blackout Period, it should first discuss the advisability of any such proposed distribution with [*Initial Purchasers' Legal Counsel*] and ensure the following conditions are satisfied:
 - (i) *History of Publication:* a Syndicate Member proposing to distribute an ordinary course Research Report in the United States must have an established history of publishing research about the Company in the United States (a Syndicate Member cannot distribute Research Reports if it is initiating coverage of the Company);
 - (ii) *Customary Manner of Distribution:* such Syndicate Member shall distribute such Research Report in the United States only to persons to whom such Syndicate Member has customarily distributed Research Reports of that type in the United States in the past;
 - (iii) *Reasonable Regularity:* the information, opinion or recommendation contained therein is contained in a publication which is distributed with reasonable regularity in the normal course of business;
 - (iv) *Counsel Review:* the Syndicate Member shall have discussed the distribution of such Research Reports with [*Initial Purchasers' Legal Counsel*]; and

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- (v) *Compliance with Rules 138 and 139 of the Securities Act*; the Syndicate Member shall have complied with Rules 138 and 139 under the Securities Act
- (f) **Industry Reports:** A Syndicate Member who wishes to distribute a Research Report that discusses the Company in an industry review or comprehensive recommended list should discuss such report, and any additional conditions required to be satisfied with [*Initial Purchasers' Legal Counsel*].

3. BLACKOUT PERIOD

The distribution of Research Reports just prior to an offering of securities raises the concern that recipients will rely on the Research Report in making a decision to purchase Notes rather than upon the Offering Memorandum. It is important that any Research Report, by reason of its being issued in close chronological proximity to the Offering Memorandum, is not in any way deemed to form part of the offering materials.

The risk to the Company, its advisers, the Syndicate Members or other persons preparing Research Reports incurring liabilities under U.S. law based on a Research Report published in connection with an offering cannot be wholly eliminated. Such liabilities could arise under the statutory rules relating to prospectuses or misleading statements made in connection with an offer or sale of securities or under the common law of negligence.

Such risk can be reduced, however, by stopping the publication of Research Reports some time prior to the launch of an offering. While there is no hard and fast rule as to how long that period should be, for the purposes of the Offering, it has been agreed that the Blackout Period is an appropriate minimum restrictive period. Each Syndicate Member is urged, however, to consult its own legal counsel to consider whether or not it should take a more restrictive view on the distribution of Research Reports. The Initial Purchasers shall notify each Syndicate Member in writing of the commencement of the Blackout Period.

It should be emphasised that observance of the Blackout Period will not necessarily guarantee that a Research Report will not be regarded as part of the marketing materials for the purpose of the Offering, and compliance with the other requirements set out in this memorandum are of greater importance than the introduction of a “firebreak” between the Research Report and the Offering. In particular, although underwriters typically institute a Blackout Period (during which no Research Reports are distributed by syndicate members) to ensure that investors make their investment decision on the basis of the Offering Memorandum, rather than Research Reports, we are not aware of any judicial, legislative or administrative body that has concluded that, in those circumstances, Research Reports will not constitute offering materials or give rise to liability for misstatements or omissions therein, or that any such court or body has otherwise sanctioned the distribution of Research Reports during an offering.

Each Syndicate Member will acknowledge, by executing the representation letter addressed to the Initial Purchasers in the form of Appendix 2 to this memorandum, that appropriate members of such Syndicate Member's compliance department (or similar function) have reviewed the information described under “Key Dates” in the Memorandum (including with respect to the anticipated commencement of the Restricted Period and the Blackout Period) and confirmed (in accordance with such Syndicate Member's internal compliance procedures) that the publication or other distribution of any Research Report in the period leading up to the Offering by such Syndicate Member in accordance therewith will comply with such Syndicate Member's established internal compliance (or similar) procedures.

APPENDIX 2

FORM OF REPRESENTATION LETTER

[Insert details of Syndicate Members]

Re: Proposed Offering of High Yield Notes by [Company]

We have received the “Memorandum for Syndicate Members relating to the distribution of Research Reports in connection with the proposed high yield bond offering by [Company]” dated [], 20[] including the Schedule of Procedures attached thereto as Appendix 1.

We represent, warrant and agree that we have complied and shall comply with the Schedule of Procedures. We understand and acknowledge that our failure to comply with the Schedule of Procedures could result in our removal from the syndicate if such non-compliance, in the judgment of the Initial Purchasers, amongst other things, creates a risk of violation of law, a delay or prevention of the Offering by the relevant regulatory authorities or a misleading impression being generated in the market.

[Name of Syndicate Member]

(please print)

By:

Name:
Title:

APPENDIX 3

FORM OF COVER LETTER
FOR THE DISTRIBUTION OF RESEARCH REPORTS

[Letterhead of Syndicate Member]

Dear _____,

Attached please find a copy of [*insert Research Report description*]. Please be aware that neither this document nor any copy of it may be taken, transmitted or distributed in the United States of America, Canada or Japan or their respective territories or possessions, nor may it be distributed to any “U.S. person” (as defined in Regulation S under the U.S. Securities Act of 1933, as amended). A “U.S. person” includes (a) any natural person resident in the United States; (b) any partnership or corporation organized or incorporated under the laws of the United States; (c) any trust of which any trustee is a U.S. persons; (d) any agency or branch of a foreign entity located in the United States; and (e) any non-U.S. branch, agency or affiliate of a U.S. person with the exception of non U.S. branches or agencies of U.S. banks or insurance companies that are regulated in the jurisdiction where located.

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