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29 June 2017

## **DS SMITH PLC**

### **PROPOSED PLACING OF NEW ORDINARY SHARES TO FUND PART OF THE CASH CONSIDERATION PAYABLE IN CONNECTION WITH THE PROPOSED ACQUISITION OF INTERSTATE RESOURCES**

DS Smith Plc (**DS Smith** or the **Company**) today announces its intention to raise approximately £285 million (before commissions and expenses) (the **Gross Proceeds**) through an underwritten placing of new ordinary shares of 10 pence each in the Company (the **Placing Shares**) with both existing investors and new institutional investors (the **Placing**). The Gross Proceeds of the proposed Placing represent approximately 7 per cent. of the Company's current market capitalisation based on the closing share price on 28 June 2017.

The net proceeds of the Placing are to be used to fund part of the cash portion of the consideration for the proposed acquisition by DS Smith of 80 per cent. of the total issued share capital of Indevco Management Resources, Inc. (**IMRI**), the holding company for the Interstate Resources, Inc. group (IMRI and its subsidiaries together, the **IRI Group**), from Merpas Co. S.à.r.l. (**Merpas**) for consideration of US\$920 million (approximately £722 million) (the **Acquisition**), which the Company has today separately announced. DS Smith will also assume or procure repayment of 100 per cent. of the IRI Group's financial indebtedness at completion of the Acquisition, expected to be approximately US\$226 million (approximately £177 million). The consideration for the Acquisition will be subject to customary post-completion net debt and working capital adjustments. Further details of the Acquisition are contained in a separate announcement being made today by the Company.

The Placing is being conducted through an underwritten accelerated bookbuilding process (the **Bookbuilding Process**) which will be launched immediately following this announcement. The Placing is subject to the terms and conditions set out in the Appendix (which forms part of this announcement).

#### **Highlights of the Placing**

- The Company is seeking to raise approximately £285 million (before commissions and expenses) through an underwritten placing of new ordinary shares of 10 pence each in the Company with both existing investors and new institutional investors.
- The Gross Proceeds of the proposed Placing represent approximately 7 per cent. of the Company's current market capitalisation based on the closing share price on 28 June 2017.
- The net proceeds of the proposed Placing are to be used to fund part of the cash portion of the consideration for the Acquisition.
- The Placing is not conditional upon completion of the Acquisition.

## Shareholder consultation

Ahead of the proposed Placing, DS Smith consulted with a number of its shareholders regarding the rationale of the proposed Placing. The Board believes that the proposed Placing will promote the success of the Company.

## Details of the Placing

Citigroup Global Markets Limited (**Citi**) and J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove) (**J.P. Morgan Cazenove** and, together with Citi, the **Banks**) are acting as joint bookrunners in connection with the Placing.

The Placing is subject to the terms and conditions set out in the Appendix (which forms part of this announcement). The Bookbuilding Process will open with immediate effect following this announcement. The number of Placing Shares and the price per ordinary share at which the Placing Shares are to be placed (the **Placing Price**) will be agreed between the Banks and the Company at the close of the Bookbuilding Process. The timing of the closing of the Bookbuilding Process, pricing and allocations are at the discretion of the Banks and the Company. Details of the Placing Price and the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuilding Process.

The Placing has been underwritten by the Banks subject to the conditions and termination rights set out in the placing agreement between the Company and the Banks (the **Placing Agreement**). Further details of the Placing Agreement can be found in the terms and conditions of the Placing contained in the Appendix to this announcement.

The Placing Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing ordinary shares of 10 pence each in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after the date of issue.

Applications will be made to the Financial Conduct Authority (the **FCA**) for the Placing Shares to be admitted to the premium listing segment of the Official List of the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for the Placing Shares to be admitted to trading on the main market for listed securities of the London Stock Exchange (together, **Admission**). It is expected that settlement of the Placing Shares and Admission will take place at 8.00 a.m. on 3 July 2017. The Placing is conditional upon, among other things, Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms. The Appendix sets out further information relating to the Bookbuilding Process and the terms and conditions of the Placing.

## Use of proceeds

The net proceeds of the Placing will be used to fund part of the cash portion of the consideration for the Acquisition. The Acquisition is expected to complete in the third quarter of the 2017 calendar year, subject to the satisfaction or, where applicable, waiver of the conditions set out in the Acquisition agreement, including the approval of the Company's shareholders. The Placing is not conditional upon completion of the Acquisition and, in the event that completion does not occur, the current intention of the directors of the Company is that the net proceeds of the Placing will be invested on a short-term basis while they evaluate other acquisition opportunities. If no acquisitions can be found over the medium term that are a suitable strategic fit and pass the Company's investment decision criteria, the directors of the Company will consider how best to return capital to shareholders of the Company.

**The announcement should be read in its entirety. In particular, you should read and understand the information provided in the “Important Notice” section and the detailed terms and conditions described in the Appendix.**

The person responsible for arranging the release of this announcement on behalf of DS Smith is Iain Simm, Company Secretary.

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### **Important Notice**

Members of the public are not eligible to take part in the Placing. This announcement (including the Appendix) is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to purchase, subscribe for or otherwise acquire or dispose of, or any solicitation to purchase or subscribe for or otherwise acquire or dispose of, any securities in the United States, Australia, Canada, Japan, South Africa or any other jurisdiction in which such an offer or solicitation is unlawful. Persons needing advice should consult an independent financial adviser. The information contained in this announcement is not for release, publication or distribution to persons in any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

This announcement has been issued by and is the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. The information in this announcement is subject to change without notice.

This announcement and the terms and conditions set out in this announcement are directed only at: (a) persons in member states of the European Economic Area (the **EEA**) who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC, as amended from time to time and including any relevant implementing directive measure in any member state of the EEA to the extent implemented in the relevant member state (the **Prospectus Directive**) (**Qualified Investors**); (b) persons in the United Kingdom who are Qualified Investors and who (i) have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**); (ii) who are high net worth companies, unincorporated associations and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may lawfully be communicated (all such persons together being referred to as **Relevant Persons**). Any investment activity in connection with this announcement and the Placing is only available to, and will only be engaged with, Relevant

Persons. Any person who is not a Relevant Person should not act or rely on this announcement or any of its contents. This “Important Notice” section does not itself constitute an offer for sale or subscription of any securities in the Company.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the **Securities Act**) or under any securities laws of any state or other jurisdiction of the United States and may not be offered or sold into or within the United States (as defined in Regulation S under the Securities Act (**Regulation S**)) absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities law. Any offering of the Placing Shares to be made in the United States will be made only to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act (**QIBs**) pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Any offering of the Placing Shares to be made outside the United States will be made in offshore transactions in accordance with Regulation S. There will be no public offering of the Placing Shares in the United States. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission (the **SEC**), any state securities commission or any other regulatory authority in the United States, nor have any such authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

The distribution of this announcement and the placing of the Placing Shares as set out in this announcement in certain jurisdictions may be restricted by law. No action has been taken by the Company, Citi or J.P. Morgan Cazenove that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company, Citi and J.P. Morgan Cazenove to inform themselves about, and to observe, such restrictions. The information contained in this announcement may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution, reproduction, or disclosure of any information contained in this announcement in whole or in part is unauthorised. Failure to comply with these restrictions may constitute a violation of the Securities Act or the applicable laws of other jurisdictions. Subject to certain exemptions, the securities referred to in this announcement may not be offered or sold in the United States, Australia, Canada, Japan, South Africa or certain other jurisdictions or for the account or benefit of any national resident or citizen of certain jurisdictions. No prospectus will be made available in connection with the matters contained in this announcement and no such prospectus is required (in accordance with the Prospectus Directive) to be published. Persons needing advice should consult an independent financial adviser. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendix or the announcement of which it forms part should seek appropriate advice before taking any action.

No representation or warranty express or implied, is or will be made as to, or in relation to, and, aside from the responsibilities and liabilities, if any, which may be imposed by the Financial Services and Markets Act 2000, as amended (the **FSMA**) or the regulatory regime established thereunder or any other applicable regulatory regime, no responsibility or liability is or will be accepted by Citi or J.P. Morgan Cazenove or any of their respective affiliates or agents as to or in relation to, the accuracy, completeness or sufficiency of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers in connection with the Placing, and any responsibility or liability therefor is expressly disclaimed.

Citi and J.P. Morgan Cazenove, each of which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, are acting solely for the Company and no one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Citi or J.P.

Morgan Cazenove, respectively, nor for providing advice in relation to the Placing. Neither Citi, J.P. Morgan Cazenove nor any of their respective subsidiaries, branches or affiliates owes or accepts any duty, liability, or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Citi or J.P. Morgan Cazenove, respectively, in connection with the Placing, any statements in this announcement or otherwise.

Certain statements contained in this announcement or incorporated by reference into it constitute, or may be deemed to constitute, “forward-looking statements” with respect to the financial condition, results of operations and business of the DS Smith group and, upon completion of the Acquisition, the DS Smith group and the IRI Group together (the **Enlarged Group**) and certain plans and objectives of the directors of the Company with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use forward-looking terminology including words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “aim”, “plan”, “predict”, “projects”, “continue”, “assume”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or, in each case, their negative, or other variations thereon or words of similar meaning, which identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. In particular, any statements regarding the Company’s strategy, plans, objectives, goals and other future events or prospects are forward-looking statements.

An investor should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company’s control. Forward-looking statements are based on assumptions and assessments made by the directors of the Company in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and any forward-looking statements relating to the Acquisition reflect the Company’s view with respect to future events as of the date of the relevant statement and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the condition of the Acquisition being satisfied, management’s maintenance of the business and the process of integrating the Acquisition following completion of the Acquisition including the retention of certain key IRI Group management, foreign exchange risks related to the price of the Acquisition, the successful realisation of the Enlarged Group’s growth strategy, the successful realisation of the anticipated synergies and strategic benefits, an adequate return on its investment from the Acquisition and foreign exchange rate fluctuation between the US dollar and pound sterling, as well as the principal risks and uncertainties facing the business as described in the risk factors highlighted in the Company’s 2016 annual report and the 2016 EMTN prospectus dated 19 April 2016. The factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

The Company cautions investors that forward-looking statements are not guarantees of future performance and that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement and/or information incorporated by reference into it.

Each forward-looking statement speaks only as of the date it was made and is not intended to give any assurances as to future results. Furthermore, forward-looking statements contained in this announcement that are based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Except as required by the FSMA, the Listing Rules of the FCA (the **Listing Rules**) and/or the Disclosure Guidance and Transparency Rules of the FCA (the **Disclosure Guidance and Transparency Rules**), none of the Company, J.P. Morgan Cazenove or Citi undertakes any obligation to update or revise these forward-looking statements, and

will not publicly release any revisions it may make to these forward- looking statements that may result from new information, events or circumstances arising after the date of this announcement. The Company will comply with its obligations to publish updated information as required by the FSMA, the Listing Rules and/or the Disclosure Guidance and Transparency Rules or otherwise by law and/or by any regulatory authority, but assumes no further obligation to publish additional information.

Any indication in this announcement of the price at which Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company. The price of the Placing Shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the Placing Shares.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

## APPENDIX 1

### TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN ARE RESTRICTED AND ARE NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (WHICH IS FOR INFORMATION PURPOSES ONLY) AND THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (**EEA**) WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC, AS AMENDED FROM TIME TO TIME, AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE) (THE **PROSPECTUS DIRECTIVE**) (**QUALIFIED INVESTORS**); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE **ORDER**); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE **SECURITIES ACT**) OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES MENTIONED HEREIN IN THE UNITED STATES.

THE SECURITIES MENTIONED HEREIN WILL HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION (THE **SEC**), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR

ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN ACQUISITION OF PLACING SHARES.

Persons who are invited to and who choose to participate in the placing (the **Placing**) of new ordinary shares (the **Placing Shares**) in the capital of DS Smith plc (the **Company**), by making an oral or written offer to acquire Placing Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given (the **Placees**), will: (i) be deemed to have read and understood this Announcement, including the Appendix, in its entirety; and (ii) be making such offer on the terms and conditions contained in the Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, acknowledgements and undertakings set out herein.

In particular each such Placee represents, warrants and acknowledges that:

- (a) it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) it is and, at the time the Placing Shares are acquired, will be either: (i) outside the United States and is acquiring the Placing Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act (**Regulation S**); or (ii) a “qualified institutional buyer” (a **QIB**) as defined in Rule 144A under the Securities Act (**Rule 144A**), which is acquiring the Placing Shares for its own account or for the account of one or more QIBs, each of which is acquiring beneficial interests in the Placing Shares for its own account; if acquiring the Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account; or
- (c) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a member state of the EEA which has implemented the Prospectus Directive to Qualified Investors, or in circumstances in which the prior consent of the Banks (as defined below) has been given to each such proposed offer or resale.

The Company and the Banks will rely on the truth and accuracy of the foregoing representations, warranties and acknowledgements.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S. Any offering to be made in the United States will be made to a limited number of QIBs pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

#### **Details of the Placing Agreement and the Placing Shares**

Citigroup Global Markets Limited (**Citi**) and J.P. Morgan Securities plc (which conducts its UK investment banking business as “J.P. Morgan Cazenove”) (**JPMC**), being each a **Bank** and together the **Banks**, have entered into a placing agreement (the **Placing Agreement**) with the Company under

which they have agreed severally, on the terms and subject to the conditions set out therein, to use their respective reasonable endeavours to procure Placees to take up the Placing Shares in such number and at such price, if any, as may be agreed between the Banks and the Company and set out in the executed terms of subscription (the **Terms of Subscription**) or to the extent that, following the execution of the Terms of Subscription, any Placee defaults in paying the Placing Price (as defined below) in respect of any of the Placing Shares allotted to it, to subscribe for such Placing Shares at the Placing Price and in the agreed proportions as set out in the Placing Agreement. The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing ordinary shares of 10 pence each in the capital of the Company (the **Ordinary Shares**), including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

The Company anticipates using the proceeds raised through the Placing to satisfy part of the cash consideration payable and the costs associated with the acquisition of Indevco Management Resources, Inc. (**Target**), the holding company for the Interstate Resources, Inc. group (Target and its subsidiaries together, the **IRI Group**) (the **Acquisition**).

### **Application for listing and admission to trading**

Applications will be made to the Financial Conduct Authority (the **FCA**) for admission of the Placing Shares to the premium listing segment of the Official List of the UK Listing Authority (the **Official List**) and to London Stock Exchange plc (the **London Stock Exchange**) for admission to trading of the Placing Shares on its main market for listed securities (together, **Admission**).

It is expected that Admission will become effective not later than 8.00 a.m. (London time) on 3 July 2017 (or such later time and/or date as the Banks may agree with the Company) (the **Closing Date**) and that dealings in the Placing Shares will commence at that time.

### **Bookbuild**

The Banks will today commence the bookbuilding process in respect of the Placing (the **Bookbuild**) to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees in respect of any Placing Shares.

The Banks and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

### **Participation in, and principal terms of, the Placing**

1. The Banks are arranging the Placing severally, and not jointly, nor jointly and severally, as agents of the Company. Participation will only be available to persons who may lawfully be, and are, invited to participate by any of the Banks. Each of the Banks and their respective affiliates are entitled to enter bids as principal in the Bookbuild.
2. The Bookbuild, if successful, will establish a single price payable in respect of the Placing Shares (the **Placing Price**) to the Banks by all Placees whose bids are successful. The Placing Price and the aggregate proceeds to be raised through the Placing will be agreed between the Banks and the Company following completion of the Bookbuild and any discount to the market price of the Ordinary Shares will be determined within the limits specified by the Listing Rules of the UK Listing Authority, as published pursuant to Part 6 of the Financial Services and Markets Act 2000. The Placing Price and the number of Placing Shares to be issued will be announced on a Regulatory Information Service following the completion of the Bookbuild.

3. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone to their usual sales contact at one of the Banks. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Placing Price ultimately established by the Company and the Banks or at prices up to a price limit specified in its bid. Bids may be scaled down by the Banks on the basis referred to in paragraph 6 below.
4. The Bookbuild is expected to close no later than 4:30 p.m. (London time) on 29 June 2017, but may be closed earlier or later, at the discretion of the Banks. The Banks may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
5. Each Placee's allocation will be agreed between the Banks (in consultation with the Company) and will be confirmed to Placees orally by the relevant Bank following the close of the Bookbuild, and a trade confirmation will be dispatched as soon as possible thereafter. The relevant Bank's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Bank and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the relevant Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's corporate documents.
6. Subject to paragraphs 3 and 4 above, the Banks will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares. Each Bank may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company and may scale down any bids for this purpose on such basis as it may determine. Each Bank may also, notwithstanding paragraphs 3 and 5 above, in agreement with the Company: (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The Company reserves the right (upon agreement with both of the Banks) to reduce or seek to increase the amount to be raised pursuant to the Placing, at its absolute discretion. The acceptance of the bids shall be at each Bank's absolute discretion, subject to agreement with the Company.
7. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Bank's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Bank, to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Each Placee's obligations will be owed to the relevant Bank.
8. Except as required by law or regulation, no press release or other announcement will be made by the Banks or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
9. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
10. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
11. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be

capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Bank.

12. To the fullest extent permissible by law, neither the Banks, the Company nor any of their respective directors, officers, employees, agents or affiliates shall have any responsibility or liability (whether in contract, tort or otherwise) to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither of the Banks, nor the Company, nor any of their respective directors, officers, employees, agents or affiliates shall have any responsibility or liability (whether in contract, tort or otherwise) (including to the extent permissible by law, any fiduciary duties) in respect of the Banks' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Banks, their respective affiliates and the Company may agree.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Banks' obligations under the Placing Agreement are conditional on customary terms and conditions, including among others:

- (a) the warranties of the Company contained in the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date;
- (b) Admission occurring at or before 8:00 a.m. (London time) (or such later time or date as the Banks may agree with the Company) on the Closing Date;
- (c) the stock purchase agreement in respect of the Acquisition entered into between, amongst others, the Company and the Target on 28 June 2017 (the **Acquisition Agreement**) remaining in full force and effect and not having been terminated and no condition that is not capable of waiver by the Company in the Acquisition Agreement having become incapable of satisfaction, in each case prior to the Closing Date;
- (d) the Company having complied with its obligations under the Placing Agreement and the terms and conditions of the Placing which fall to be performed on or prior to the Closing Date;
- (e) the publication by the Company of, among other announcements, the results of the Placing on a Regulatory Information Service (as defined in the Listing Rules Appendix 1.1) by no later than 8:00 a.m. (London time) on the business day following the date of the Placing Agreement; and
- (f) the Company allotting, subject only to Admission, the relevant Placing Shares in accordance with the Placing Agreement.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the relevant time or date specified (or such later time or date as the Company and the Banks may agree); or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Banks may, in their sole discretion and upon such terms as they think fit, waive compliance by the Company with the whole or any part of the Company's obligations in relation to the conditions contained in the Placing Agreement save that condition (b) above may not be waived. Any such waiver will not affect Placees' commitments as set out in this Announcement.

By participating in the Placing each Placee agrees that none of the Banks, nor any of their respective directors, officers, employees, agents or affiliates shall have any liability (whether in contract, tort or otherwise) to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in

respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Banks.

### **Right to terminate under the Placing Agreement**

The Banks are entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including: (i) breach of the warranties or undertakings contained in the Placing Agreement or any other provisions of the Placing Agreement; (ii) upon the occurrence, in the opinion of the Banks, of certain material adverse changes in the financial condition or prospects of the DS Smith Group or the IRI Group; (iii) in the event of certain force majeure events; or (iv) if the application for Admission is withdrawn by the Company or refused by the FCA or the London Stock Exchange.

Upon termination of the Placing Agreement by any Bank (a **Terminating Bank**), the Terminating Bank and the Company shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement (so far as they relate to the Terminating Bank only), subject to certain exceptions.

By participating in the Placing, Placees agree that where any right of termination or other discretion arises under the Placing Agreement and is exercised, neither the Company nor the Banks need make any reference to, or consultation with, Placees and neither the Company nor the Banks nor any of their respective directors, officers, employees, agents or affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure to exercise.

### **Lock-up**

The Company has undertaken to the Banks that, between the date of the Placing Agreement and 90 calendar days after the Closing Date (inclusive), it will not, without the prior written consent of the Banks, enter into certain transactions involving or relating to the Ordinary Shares, subject to certain carve-outs agreed between the Banks and the Company.

By participating in the Placing, Placees agree that the exercise by the Banks of any power to grant consent to the undertaking by the Company of a transaction which would otherwise be subject to the lock-up under the Placing Agreement shall be within the discretion of the Banks and that they need not make any reference to, or consultation with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent or failure to exercise such power.

### **No Prospectus**

No offering document or prospectus has been or will be submitted to be approved by the FCA in relation to the Placing or Admission and no such prospectus is required (in accordance with the Prospectus Directive) to be published.

Placees' commitments will be made solely on the basis of the information contained in this Announcement. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) and all other publicly available information previously or simultaneously published by the Company by notification to a Regulatory Information Service or otherwise filed by the Company is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Banks or any other person and none of the Company, the Banks nor any of their respective affiliates, nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation

in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Registration and Settlement**

Settlement of transactions in the Placing Shares (ISIN: GB0008220112) following Admission will take place in CREST, subject to certain exceptions. The Banks and the Company reserve the right to require settlement of, and delivery of, some or all of the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement is not practicable in CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with the relevant Bank stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to the Bank and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with the relevant Bank (unless otherwise agreed).

It is expected that settlement will be on 3 July 2017 in accordance with the instructions set out in the trade confirmation.

In the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Banks may agree that the Placing Shares should be issued in certificated form. The Banks reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Banks.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Banks may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Banks' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) or other similar taxes imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the relevant Bank all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the relevant Bank lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are settled in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so settled free from any liability to UK stamp duty or stamp duty reserve tax.

### **Representations, Warranties and Further Terms**

By participating in the Placing each Placee (and any person acting on such Placee's behalf):

- 1 represents and warrants that it has read and understood the Announcement (including this Appendix), and accepts the terms and conditions set out in this Appendix, entirely, and that it has made its investment decision based solely upon its own judgement, due diligence and analysis and not upon any view expressed or information provided by or on behalf of the Banks or any other person otherwise than as set out in this Announcement;
- 2 acknowledges that no offering document or prospectus has been prepared in connection with the Placing and represents and warrants that it has not received a prospectus or other offering document in connection therewith;
- 3 acknowledges that none of the Banks, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided, nor will provide it, with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of the Banks, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;
- 4 acknowledges that the Company's Ordinary Shares are listed on the premium listing segment of the Official List of the FCA and are admitted to trading on the main market for listed securities of the London Stock Exchange (the **Exchange**) and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FCA and the Exchange (collectively, the **Exchange Information**), which includes a description of the Company's business and the Company's financial information, including balance sheets and income statements, and that it is able to obtain or access the Exchange Information;
- 5 acknowledges the Placing is not conditional upon completion of the Acquisition and that although the Company anticipates using the proceeds raised through the Placing to satisfy part of the cash consideration payable and the costs associated with the Acquisition, completion of the Acquisition is dependent upon certain conditions being satisfied and that neither the Company nor the Banks warrant or represent that the Acquisition will take place;
- 6 acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that none of the Banks, nor their respective affiliates or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in, or omission from, this Announcement or any information previously published by or on behalf of the Company, including, but not limited to, the Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this Announcement and any information previously or simultaneously published by the Company by notification to a Regulatory Information Service, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, or representations, warranties or statements made, by any of the Banks or the Company nor any of their respective affiliates and none of the Banks or the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
- 7 acknowledges that it may not rely, and has not relied, on any investigation that the Banks, any of their affiliates or any person acting on their behalf, may or may not have conducted with respect to the Placing Shares or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information or any other information;

- each Placee further acknowledges that it has conducted its own investigation of the Company and the Placing Shares and has received all information it believes necessary or appropriate in connection with its investment in the Placing Shares;
- 8 acknowledges that it has made its own assessment and has satisfied itself concerning the relevant tax, legal, regulatory, currency and other economic considerations relevant to its investment in the Placing Shares;
  - 9 acknowledges that none of the Banks, their respective affiliates or any person acting on behalf of any of them has or shall have any liability for any information made publicly available by or in relation to the Company or any representation, warranty or statement relating to the Company or the Group contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
  - 10 represents and warrants that it is and, at the time the Placing Shares are acquired, will be either: (i) outside the United States and is acquiring the Placing Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S; or (ii) a QIB, which is acquiring the Placing Shares for its own account or for the account of one or more QIBs, each of which is acquiring beneficial interests in the Placing Shares for its own account; if acquiring the Placing Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account;
  - 11 acknowledges that it: (i) has such knowledge and experience in financial, business and international investment matters to be capable of evaluating the merits and risks of an investment in the Placing Shares; (ii) will not look to the Banks for all or part of any such loss it may suffer; (iii) is able to bear the economic risk of an investment in the Placing Shares; (iv) is able to sustain a complete loss of an investment in the Placing Shares; and (v) has no need for liquidity with respect to its investment in the Placing Shares;
  - 12 acknowledges that the Placing Shares have not been and will not be registered under the Securities Act and that a prospectus will not be published in respect of any of the Placing Shares under the securities laws or legislation of the United States or any state or jurisdiction thereof, and that the Placing Shares have not been and will not be registered and that a prospectus will not be published in respect of any of the Placing Shares under the securities laws or legislation of Australia, Canada, South Africa or Japan and, subject to certain exceptions, may not be offered, sold, or delivered or transferred, directly or indirectly, in or into any of these jurisdictions or any other jurisdiction where to do so would be unlawful;
  - 13 acknowledges that the Placing Shares are being subscribed for investment purposes, and not with a view to offer, resell or distribute within the meaning of the United States securities laws;
  - 14 acknowledges that it is not acquiring any of the Placing Shares as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S);
  - 15 acknowledges that no representation has been made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
  - 16 acknowledges that the Placing Shares offered and sold in the United States are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and further agrees that so long as the Placing Shares are restricted securities, it will segregate such Placing Shares from any other shares in the Company that it holds that are not restricted securities and will not deposit the Placing Shares into any depositary receipt facility maintained by any depositary bank in respect of the Company’s ordinary shares;
  - 17 acknowledges that, if the Placing Shares were offered to it in the United States, it has consulted

its own independent advisors or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally and the US Employee Retirement Income Security Act of 1974, as amended (**ERISA**), the US Investment Company Act of 1940, as amended, and the Securities Act;

- 18 represents and agrees that either: (a) it is not and for so long as it holds the Placing Shares (or any interests therein) will not be a “benefit plan investor” as defined in Section 3(42) of ERISA, or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) (**Similar Law**); or (b) its acquisition, holding and disposition of the Placing Shares will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of such a governmental, church or non-U.S. plan, a violation of any Similar Law;
- 19 represents and warrants that the issue to it of Placing Shares or to the person specified by it as the person to whom such Placing Shares are allocated will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service for the purposes of those sections;
- 20 represents and warrants that it has complied with its obligations under the Criminal Justice Act 1993, Section 118 of the Financial Services and Markets Act 2000 (the **FSMA**) and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the **Regulations**) and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
- 21 represents and warrants that its commitment to acquire Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company’s or the Banks’ conduct of the Placing;
- 22 represents and warrants that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make the acknowledgements, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Company and/or the Banks for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
- 23 if it is a person in a member state of the European Economic Area it represents and warrants that it is a “qualified investor” (as defined in the Prospectus Directive in a member state of the European Economic Area that has implemented the Prospectus Directive (each a **Relevant Member State**)) and, to the extent applicable, any funds on behalf of which it is acquiring the Placing Shares that are located in a Relevant Member State are each such a qualified investor. For these purposes, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU;
- 24 if in the United Kingdom, represents and warrants that it is a person: (i) having professional experience in matters relating to investments who falls within the definition of “investment

- professionals” in Article 19(5) of the Order; or (ii) who falls within Article 49(2)(a) to (d) (“High Net Worth Companies, Unincorporated Associations, etc”) of the Order; or (iii) to whom this Announcement may otherwise lawfully be communicated;
- 25 if a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of the Banks has been given to the offer or resale;
- 26 represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;
- 27 represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive and will not result in a requirement for the publication of a prospectus pursuant to Article 3 of that Directive;
- 28 represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
- 29 represents and warrants that it has complied and will comply with all applicable laws with respect to anything done by it in relation to the Placing Shares (including all relevant provisions of the FSMA) in, from or otherwise involving, the United Kingdom;
- 30 represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) and will honour such obligations;
- 31 undertakes that it (and any person acting on its behalf) will make payment in respect of the Placing Shares allocated to it in accordance with this Appendix on the due time and date set out herein (unless otherwise agreed), failing which the relevant Placing Shares may be placed with other acquirers or sold as the Banks may in their sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the relevant Placing Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any interest or penalties) which may arise upon the sale of such Placee’s Placing Shares;
- 32 represents and warrants that it (and any person acting on its behalf) is entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully

- observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Banks, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
- 33 acknowledges that none of the Banks, nor any of their respective affiliates, nor any person acting on behalf of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that its participation in the Placing is on the basis that it is not and will not be a client of any Bank in connection with its participation in the Placing and that the Banks have no duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their respective rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
- 34 undertakes that the person whom it specifies as the person to whom the Placing Shares are allocated will be: (i) itself; (ii) its nominee, as the case may be; or (iii) a person for whom it is contracting as agent or nominee. None of the Banks or the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement (**Indemnified Taxes**). Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and the Banks on an after-tax basis in respect of any Indemnified Taxes;
- 35 acknowledges that any agreements entered into by it pursuant to the terms and conditions set out in this Appendix, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by either the Company or the Banks in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
- 36 agrees to indemnify on an after tax basis and hold the Company, the Banks and their respective directors, officers, employees, agents and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
- 37 represents and warrants that if it has received any inside information about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available;
- 38 understands that the Placing Shares are expected to be issued to it through CREST;
- 39 where it is acquiring the Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account to acquire the Placing Shares for each managed account;

- 40 if it is a pension fund or investment company, represents and warrants that its purchase of Placing Shares is in full compliance with applicable laws and regulations; and
- 41 agrees that the Company, the Banks and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Banks on their own behalf and on behalf of the Company and are irrevocable.

The foregoing representations, warranties, confirmations, acknowledgements, agreements and undertakings are given for the benefit of the Company as well as each of the Banks and are irrevocable.

Each U.S. Placee shall make specific representations, warranties, agreements and acknowledgements pursuant to a U.S. investor representation letter.

The agreement to settle a Placee's acquisition of Placing Shares (and/or the acquisition by a person for whom such Placee is contracting as agent or nominee) free of UK stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person for whom it is contacting as agent or nominee direct from the Company for the Placing Shares in question. Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor the Banks will be responsible and the Placees shall indemnify the Company and the Banks on an after-tax basis for any stamp duty or stamp duty reserve tax paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify the Banks accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges that the Banks do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that any Bank or any of its affiliates may, at its absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with a Bank, any money held in an account with such Bank on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from such Bank's money in accordance with the client money rules and will be used by such Bank in the course of its own business and the Placee will rank only as a general creditor of such Bank.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The rights and remedies of the Banks and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

All times and dates in this Announcement may be subject to amendment. The Banks shall notify the Placees and any person acting on behalf of the Placees of any changes.

The information contained herein is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This Announcement does not contain or constitute an offer for sale or the solicitation of an offer to purchase securities in the United States, other than to a limited number of QIBs pursuant to an exemption from registration under the Securities Act. The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from, or transaction not subject to, the registration requirements of the Securities Act.