UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

LUIS MANUEL RODRIGUEZ, *et al.*, Plaintiffs, v. IMPERIAL BRANDS PLC, *et al.*, Defendants.	Case No.: 1:20-cv-23287-DPG

MOTION FOR LEAVE TO AMEND COMPLAINT

Plaintiffs, by and through their undersigned counsel and pursuant to Fed. R. Civ. P. Rule 15(a)(2), hereby respectfully move this Court for leave to file a Second Amended Complaint, and in support thereof state:

PROCEDURAL BACKGROUND

The instant action was commenced August 6, 2020, with the filing of the Complaint [D.E. 1], asserting a claim for "trafficking" in confiscated property under the Helms Burton Act ("HBA"). On August 28, 2020, Defendant Imperial Brands plc ("Imperial"), moved this Court to stay the action to provide Imperial with additional time to obtain permission from the European Commission to defend against the litigation. [D.E. 14.] Defendants WPP plc, Young & Rubicam LLC, and BCW LLC (collectively, the "WPP Parties") joined in Imperial's request [D.E. 26], and on September 23, 2020, the Court granted defendants' motions [D.E. 49]. The action was stayed and administratively closed until February 12, 2021, when the stay was lifted. [D.E. 69]

On February 26, 2021, Imperial and the WPP Parties filed their respective motions to

dismiss[1], [D.E. 71, 72 and 74]. On March 23, 2021, Plaintiffs filed their Amended Complaint as a matter of course under Rule 15(a)(1). [D.E. 82.] The Court subsequently denied defendants' motions to dismiss as moot. [D.E. No. 84].

On April 28, 2021, Imperial, the WPP Parties and Corporación Habanos, S.A. ("Habanos") filed a total of four motions to dismiss the Amended Complaint, one addressing joint issues [D.E. 91] and three separate motions addressing personal jurisdiction. [D.E. 88, 89, and 93.]. On June 15, 2021, Plaintiffs filed their Motion for Jurisdictional Discovery. On September 15, 2021, the Court referred the Defendants' Motions to Dismiss and Plaintiffs' Motion for Jurisdictional Discovery to Magistrate Judge Alicia M. Otazo-Reyes. [D.E. 130]. On September 27, 2021, Judge Otazo-Reyes granted Plaintiffs jurisdictional discovery, to be completed by November 26, 2021. [D.E. 133]. Defendants' Joint Motion to Dismiss and individual motions to Dismiss the Amended Complaint remain pending.

Plaintiffs have now completed jurisdictional discovery. All Defendants argue that this Court lacks personal jurisdiction. Plaintiffs seek to amend their complaint to clarify and supplement the allegations contained in the (First) Amended Complaint based on the information learned during jurisdictional discovery. The proposed Second Amended Complaint ("SAC") alleges additional facts regarding this Court's jurisdiction over Defendants WPP plc, Y&R and BCW. The new facts clarify and add allegations regarding the WPP Parties use of U.S. Services to further trafficking in Plaintiffs' confiscated property. The new facts also include allegations of concerted action by the WPP Parties. Plaintiffs allege that the WPP Parties provided marketing

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[1] Corporación Habanos, S.A. did not appear in the action until March 22, 2021, and did not file a motion to dismiss at that time.

and advertising services for Imperial and Habanos that served to further the alleged HBA trafficking at issue, for which all Defendants are liable. The newly alleged jurisdictional facts regarding use of U.S. Services, therefore, also affect the jurisdictional arguments made by Imperial and Habanos. The SAC will also address arguments presented in the Defendants' motion to dismiss, some which were alleged for the first time after Habanos appeared in the action. Finally, the SAC will also address Habanos' argument regarding propriety of service of process on Habanos as an agency or instrumentality of the Cuban government. The proposed Second Amended Complaint is annexed hereto as Exhibit A, and a redlined version of the same (without exhibits) is annexed hereto as Exhibit B.

This action is still in its preliminary stages. There is no scheduling order limiting the parties' time for amending pleadings and the action has not been scheduled for trial.

MEMORANDUM OF LAW

Federal Rule of Civil Procedure 15 provides that, other than a first amendment as a matter of course, a party may amend its pleading "only with the opposing party's written consent or the court's leave." Fed. R. Civ. P. 15(a)(2). The same rule clarifies that "The court should freely give leave when justice so requires." Fed. R. Civ. P. 15(a)(2).

A "district court[] ha[s] only limited discretion to deny a party leave to amend the pleadings." *Grayson v. K Mart Corp.*, 79 F.3d 1086, 1110 (11th Cir. 1996). Further, "[l]eave to amend should be 'freely given when justice so requires' unless there is an 'apparent or declared reason' to deny it such as 'undue prejudice to the opposing party.'" *See Pinnacle Advert. & Mktg. Group, Inc. v. Pinnacle Advert. & Mktg. Group, LLC*, 7 F.4th 989, 1000 (11th Cir. 2021) (quoting *Foman v. Davis*, 371 U.S. 178, 182, 83 S.Ct. 227, 9 L.Ed.2d 222 (1962)).

Readily granting leave to amend "facilitate[s] [the] determination of claims on the merits .

. . thus, 'unless there is a substantial reason to deny leave to amend, the discretion of the district court is not broad enough to permit denial.'" *Espey v. Wainwright*, 734 F.2d 748, 750 (11th Cir. 1984). Reasons for denying leave to amend can include "'undue delay, bad faith or dilatory motive on the part of the movant, repeated failure to cure deficiencies by amendments previously allowed, and undue prejudice to the opposing party.'" *Id.*

Plaintiffs promptly moved to file their proposed Second Amended Complaint upon discovery of the additional jurisdictional facts they now seek to plead. Plaintiffs' proposed SAC addresses one of the issues raised in the Defendants' Joint motion to dismiss. Plaintiff's motion for jurisdictional discovery was only granted in September 2021. Moreover, jurisdictional discovery was only completed on November 26, 2021. Plaintiffs' request is timely.

Defendants have not yet answered any operative complaint in this action. Moreover, their various motions to dismiss are still pending and have not been ruled on by the Court. As this is Plaintiff's first request to amend, Defendants cannot successfully argue that Plaintiffs have repeatedly failed to cure deficiencies through previous amendments. In *Bryant v. Dupree*, 252 F.3d 1161 (11th Cir. 2001), the plaintiffs amended their complaint once as a matter of course. The plaintiffs then sought leave to amend a second time while defendant's motion to dismiss was still pending. The *Bryant* court rejected arguments that a request to amend was untimely, explaining:

> The Amended Complaint was filed as a matter of course, and until the renewed motion to dismiss came before the court, the plaintiffs had not asked for leave to amend. Therefore, it cannot be said that the plaintiffs already had been given an opportunity to amend or that the plaintiffs repeatedly had failed to cure deficiencies through previously allowed amendments.

See Bryant, 252 F.3d at 1163–64; *compare Blackburn v. Shire US Inc*, 2021 WL 5563732, at *5 (11th Cir. Nov. 29, 2021) (distinguishing *Bryant* where plaintiff sought to amend a second time

after a motion to dismiss was granted). Furthermore, Defendant Habanos did not appear in this action until the day before Plaintiffs filed their First Amended Complaint, and as such did not file a motion to dismiss to Plaintiffs' original complaint. The proposed SAC is, therefore, Plaintiffs' first opportunity to amend the complaint in response to arguments in Habanos' motion to dismiss.

Granting this motion thus furthers the Federal Courts' preference for determining claims on their merits. *See Krupski v. Costa Crociere S. p. A.*, 560 U.S. 538, 550 (2010) (noting the "preference expressed in the Federal Rules of Civil Procedure in general, and Rule 15 in particular, for resolving disputes on their merits."); *see Griffin v. ISS Facility Services, Inc.*, 8:15-CV-2849-T-23CPT, 2018 WL 7985888, at *2 (M.D. Fla. July 17, 2018) ("The judicial system's preference for the resolution of a case on the merits underlies Rule 15(a), . . . a district court should not deny a motion to amend absent 'a substantial reason.'"). This motion is made in good faith and is not intended to delay these proceedings or in any way prejudice Defendants.

WHEREFORE, Plaintiffs respectfully request that the Court enter an Order permitting Plaintiffs to file their proposed Second Amended Complaint.

Dated: December 20, 2021

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on December 20, 2021, a true and correct copy of the foregoing was filed with the Clerk of Court using the CM/ECF system which will send a notification of the filing to all counsel and parties of record.

/s/ ***Paulino A. Núñez Jr.***
Paulino A. Núñez Jr.

CERTIFICATE OF GOOD FAITH CONFERENCE
CONFERRED BUT UNABLE TO RESOLVE ISSUES PRESENTED IN THE MOTION

Pursuant to Local Rule 7.1(a)(3)(A), I hereby certify that on December 3, 2021, and on December 7, 2021, counsel for the movants conferred with counsel for all other parties in a good faith effort to narrow or resolve the issues raised by the Motion but were unable to reach agreement.

By: /s/ ***David W. Berenthal***
David W. Berenthal

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

(Jury Trial Demanded)

LUIS MANUEL RODRIGUEZ, et al., Case No.: 1:20-cv-23287(DPG)(AMO)

Plaintiffs,

v.

IMPERIAL BRANDS PLC, et al.,

Defendants.
_____/

SECOND AMENDED COMPLAINT

Plaintiffs, LUIS MANUEL RODRIGUEZ, MARIA TERESA RODRIGUEZ, a/k/a MARIA TERESA LANDA, ALFREDO RAMON FORNS, RAMON ALBERTO RODRIGUEZ, RAUL LORENZO RODRIGUEZ, CHRISTINA CONROY, and FRANCISCO RAMON RODRIGUEZ, sue Defendants, IMPERIAL BRANDS PLC, CORPORACIÓN HABANOS, S.A., WPP PLC, YOUNG & RUBICAM LLC, and BCW LLC, a/k/a BURSON COHN & WOLFE LLC, and allege as follows:

Introduction

1. Plaintiffs (collectively, the "Rodriguez Family") are the heirs and successors of Ramón Rodriguez Gutiérrez ("RRG") and the owners of a 90% interest in Ramón Rodriguez e Hijos Sociedad en Comandita[1] ("RRHSC"). Before 1961, RRHSC owned and operated the former Partagás cigarette factory building (the "RRHSC Property") in Havana.[2]

[1] Ramon Rodriguez and Sons, a Limited Partnership.

[2] A picture of Partagás cigarette boxes with a drawing of the Partagás (RRHSC) factory and a photograph of the factory believed to have been taken in the 1950s is shown at Composite Exhibit 1.

2. In 1955, RRHSC erected a modern mixed-use building adjacent and connected to the main building of the Partagás factory at the corner of Calle 23 y 16 (23rd Street and 16th). The new building's structure included a ground level garage for the factory's fleet of trucks, a storage facility, a mezzanine suite of executive offices and a six-story tower, all of which are contained within the RRHSC Property.[3] Today, the RRHSC Property, rebranded "Empresa de Tabaco Torcido 'José Martí,'" prominently displays the names Tabacuba (the Cuban state tobacco monopoly company), La Vega (the Cuban state tobacco leaf monopoly company) and H. Upmann on its façade.[4]

3. After taking control of power in 1959, the Castro Regime and Cuba's communist government systematically "nationalized" the major privately-owned business enterprises in Cuba without compensation to the lawful owners of the property. In 1961, as part of its takeover of the entire tobacco industry, the Castro government confiscated ownership of RRHSC and the RRHSC Property. Before the RRHSC Property was confiscated, the Partagás factory produced world-renowned cigarettes under the Partagás brand and had grown to become the third largest manufacturer of cigarettes in Cuba with a 16.3% share of the market.

4. The Rodriguez Family are the owners of a "Claim" under the Cuban Liberty and Democratic Solidarity Act also known as the Helms-Burton Act (the "Liberty Act" or "Libertad

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[3] A picture of the modern mixed-use building that was erected as an annex to the main Partagás cigarette factory is shown at Composite Exhibit 2. The photographs at Composite Exhibit 2 were taken in December 2019.

[4] Pictures of the modern façade are shown at Composite Exhibit 3.

Act") due to the Cuban government's confiscation and trafficking in the RRHSC Property.[5] The Liberty Act took effect in 1996:

> It is the purpose of statute to deter third party foreign investors from trafficking in the confiscated property (defined as '**purchas[ing] an equity interest in, manag[ing], or enter[ing] into joint ventures** using property and assets some of which were confiscated from United States nationals.')

Glen v. Club Mediterranee S.A., 450 F.3d 1251, 1255 (11th Cir. 2006) (emphasis added) (quoting 22 U.S.C. § 6081(5)); *see also* 22 U.S.C. § 6022(6) (Liberty Act is designed "to protect United States nationals against confiscatory takings and the wrongful trafficking in property confiscated by the Castro regime.").

5. In 2007, Defendant Imperial Brands PLC ("Imperial"), well-aware of the Liberty Act, purchased a company known as Altadis S.A ("Altadis"). At the time, Altadis had a "50% ownership interest in [Corporación Habanos S.A.], a company which distributes cigars manufactured in Cuba."[6]

6. Through its purchase of Altadis, Imperial acquired "ownership interests in Corporación Habanos S.A. as well as non-parties Altabana S.L., Promotora de Cigarros, S.L. and Internacional Cubana de Tabaco, S.A.," (collectively, the "Cuban Joint Ventures"). According to

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[5] A recent decision in this District quoted from the Liberty Act and an Eleventh Circuit opinion to describe the claims created by the Liberty Act. *See Havana Docks Corp. v. Royal Caribbean Cruises, Ltd.*, 19-CV-23590, 2020 WL 1905219, at *7 (S.D. Fla. Apr. 17, 2020) ("'[t]he ***Helms-Burton Act refers to the property interest that former owners of confiscated property now have as ownership of a 'claim to such property***.'" *Glen II* [*Glen v. Club Mediterranee S.A.*], 450 F.3d [1251] at 1255 [(11th Cir. 2006)] (quoting 22 U.S.C. § 6082(a)(1)(A)) (emphasis added); *see also id*. (noting that actions brought under Title III of the Liberty Act are "actions brought 'on a claim to the confiscated property' against traffickers in the property") (quoting 22 U.S.C. § 6082(a)(4)).

[6] *See* October 12, 2007, letter from Imperial to the SEC's Office of Global Security at 2. (Copy attached as Exhibit 4A).

Imperial, the Cuban Joint Ventures collectively "manufacture, market, distribute and sell cigars manufactured in Cuba."[7]

7. Corporación Habanos S.A. ("Habanos"), as well as non-parties Altabana S.L., Promotora de Cigarros, S.L. and Internacional Cubana de Tabaco, S.A., are joint venture companies controlled by the Cuban government, directly or through Tabacuba. At all times relevant to the claims asserted by Plaintiffs in this action, financial interest in, and operational control of, Habanos was 50% owned by Cuba, through one or more Cuban-owned companies, and 50% owned by Imperial. The Cuban government at all times maintained ultimate control of Habanos.

8. Non-party Tabacuba is the Cuban government run monopoly that manages the growth, purchase and resale of all raw tobacco grown in Cuba.

9. Defendant Habanos is a legal person, corporate or otherwise, separate from Cuba, a majority of whose shares or other ownership interest, here ultimate control, is owned by Cuba or a political subdivision of Cuba. In the alternative, Habanos is an organ of the Cuban government that engages in public activity on behalf of the Cuban foreign government including marketing all Cuban tobacco products worldwide. Under the Liberty Act, Habanos is an instrumentality of the Cuban Government and is statutorily deemed to be the Cuban Government itself.[8]

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[7] *See* Imperial, *Prospectus* for "€15,000,000,000 Debt Issuance Programme," at 27. (Copy attached as Exhibit 4B).

[8] *See* Liberty Act, 22 U.S.C. § 6023(5) (A) ("The term 'Cuban Government' ***includes*** . . . any ***agency or instrumentality of the Government of Cuba***.") (emphasis added); *see also* 22 U.S.C. § 6023(1) ("The term 'agency or instrumentality of a foreign state' has the meaning given that term in section 1603(b) of Title 28"); *see also* 28 U.S.C. § 1603(b) ("An 'agency or instrumentality of a foreign state' means any entity-- (1) ***which is a separate*** legal person, ***corporate or otherwise***, ***and*** (2) . . . ***a majority of whose*** shares or ***other ownership interest is owned by a foreign state*** or political subdivision thereof, and (3) which is neither a citizen of a State of the United States . . . nor created under the laws of any ***third country***.") (emphasis added).

10. At all relevant times, Imperial was a joint venture partner in Habanos. The Cuban Government, i.e., Habanos, is well-aware, and certainly "knows or should have known" that it confiscated RRHSC and the RRHSC Property and that it has continuously used the RRHSC Property for the purpose of production and shipping of millions of hand-rolled cigars (sold under various premium brand names) manufactured at the RRHSC Property, or manufactured at other nearby factories, and processed, stored, packaged, and shipped from the RRHSC Property.

11. The unauthorized and continuous use of the RRHSC Property by Imperial and Habanos also extended to Tabacuba's management of the day-to-day business of all or some Cuban tobacco products from offices it maintained in the RRHSC Property, including purchasing of raw tobacco from Cuban farmers and subsequent reselling the same to other entities in Cuba for further manufacture or use.

12. Some or all of the Cuban tobacco in the Cuban cigar products manufactured by Habanos and advertised or promoted by WPP, Y&R and BCW were purchased, managed and resold by Tabacuba from Tabacuba's offices at the RRHSC Property.

13. Imperial either inquired of its joint venture partner Tabacuba or should have inquired of Habanos regarding the ownership, and Cuba's acquisition, of the RRHSC Property used by Habanos and Tabacuba. In any event, Imperial is bound by the knowledge of its joint venture partner, Tabacuba and of Habanos, which knowledge should be deemed to be that of Imperial itself.

14. The WPP Defendants at all times acted as agents of Imperial or Habanos for the purpose of advertising, marketing and promoting Cuban Cigar products and the Habanos Brand name.

15. The WPP Defendants, as agents of Imperial or Habanos, either inquired of their principal (Imperial or Habanos), or should have inquired of their principal, regarding the ownership of the RRHSC Property used by Habanos and Tabacuba. In any event, the WPP Defendants are bound by the knowledge of their principal, which knowledge should be deemed to be that of the WPP Defendants themselves.

16. Habanos, and therefore Imperial, WPP, Y&R and BCW, either knew, or had reason to know, that all or some of the Cuban tobacco in the products manufactured, sold, advertised, or promoted by Habanos, Imperial, WPP, Y&R and BCW were purchased, managed or sold by Tabacuba from the RRHSC Property.

17. At all times from January 2008 until at least October 29, 2020, Imperial, both through Habanos and the other Cuban Joint Ventures, as well as through the Cuban tobacco monopoly company, Tabacuba, Imperial's joint-venture partner in Habanos, had the use of, and continued to use, the RRHSC Property without compensation to, or authorization from, the Rodriguez Family.

18. The unauthorized use of the RRHSC Property has included the production and shipping of millions of hand-rolled cigars (sold under various premium brand names) manufactured at the RRHSC Property, or manufactured at other nearby factories, and processed, stored, packaged, and shipped from the RRHSC Property. The unauthorized use of the RRHSC Property by Imperial and Habanos also extended to Tabacuba's management of the day-to-day business of all or some Cuban tobacco products from offices it maintained in the RRHSC Property at all times from 2007 until at least October 29, 2020.[9] Both Habanos, and Imperial, through its

[9] Tabacuba is the monopoly that purchases raw tobacco from Cuban farmers and entities located in Cuba and subsequently resells the tobacco to other entities in Cuba for further manufacture or use. Every piece of tobacco that comes from Cuba has at one point been purchased

financial interests in Habanos and the other Cuban Joint Ventures, benefitted from Tabacuba's continuous use of the RRHSC Property during the entire time that Imperial owned interests in the Cuban Joint Ventures. Imperial also benefitted from use of the RRHSC Property for marketing of Habanos' products.

19. All Defendants are liable to Plaintiffs under the Liberty Act for "trafficking"[10] because they participated in, or profited from, trafficking of the RRHSC Property by the Cuban government, through Tabacuba and its joint venture partner, Defendant Imperial. Tabacuba and Imperial trafficked in the RRHSC Property through their Cuban Joint Ventures, including Habanos, and the distribution network that Tabacuba and Imperial own.

20. Imperial and its partner Tabacuba, together with the Cuban Joint Ventures, also increased and expanded the benefit they received from trafficking in the RRHSC Property by retaining agents to assist in the trafficking by marketing and publicizing the products managed from or produced or stored at the confiscated RRHSC Property. The agents retained by Imperial and Habanos include Defendant WPP PLC ("WPP"), through its U.S-based advertising agency subsidiaries, Defendants Young & Rubicam LLC ("Y&R"), BCW LLC, a/k/a Burson Cohn & Wolfe LLC ("BCW"), and non-party Ogilvy & Mather ("Ogilvy").

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and later resold by Tabacuba.

[10] For purposes of the Act, a person "traffics" in confiscated property if that person "knowingly" and intentionally: (i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses, or otherwise acquires or holds an interest in confiscated property, (ii) engages in a commercial activity using or otherwise benefiting from confiscated property, or (iii) causes, directs, participates in, or profits from, trafficking (as described in clause (i) or (ii)) by another person, or otherwise engages in trafficking (as described in clause (i) or (ii)) through another person, without the authorization of any United States national who holds a claim to the property. *See* 22 U.S.C. § 6023(13).

21. WPP, together with Y&R, BCW, Ogilvy, and other WPP subsidiaries, operates as a single company, (the "WPP Group" or similar). The entities under the WPP Group, including WPP, Y&R, BCW, and Ogilvy are part of a complex network that share resources and operate as a single entity. The WPP Group, acting nominally through Ogilvy, and later through Y&R and BCW, continuously trafficked in the RRHSC Property by marketing and publicizing the Cuban tobacco products made, stored, shipped or managed from the RRHSC Property since at least 2010 through October 2020.

22. Beginning no later than 2017, all Defendants further increased their trafficking in the RRHSC Property when the WPP Group, nominally acting through Y&R and BCW, assisted in setting up, or directly set up, sponsored official "portals" for Imperial and its Cuban Joint Ventures to market Habanos products on the U.S.-based social media platforms Twitter, YouTube, and Instagram.[11]

23. In furtherance of Defendants' trafficking in the RRHSC Property, the WPP Group also set up multiple file share sites on internet domains nominally controlled by Y&R (YR.com) or by BCW (BM.com, an internet domain nominally controlled by BCW's predecessor, Burson-Marsteller). In addition, the WPP Group used multiple email addresses running through U.S.-based servers, including email running through the servers nominally controlled by Y&R (YR.com) and Ogilvy (the Ogilvy.com server, including an internet domain nominally controlled by Ogilvy & Mather).

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[11] These portals include:
https://www.instagram.com/habanos_oficial/
https://twitter.com/Habanos_Oficial
https://www.youtube.com/channel/UCstGLy96wdZG7eCM4855_DA.

Parties, Jurisdiction, and Venue

Parties

24. Plaintiffs Luis Manuel Rodriguez, Alfredo Ramon Forns, Ramon Alberto Rodriguez, Raul Lorenzo Rodriguez, and Francisco Ramon Rodriguez are individuals residing in Miami-Dade County, Florida.

25. At all times relevant hereto, Maria Teresa Rodriguez, was an individual residing in Miami-Dade County, Florida.

26. Plaintiff Christina Conroy is an individual residing in Montgomery County, Maryland.

27. Each Plaintiff was a U.S. citizen prior to 1996, and each is a U.S. National under 22 U.S.C. § 6023(15)(B).

28. Until the time that RRHSC and the RRHSC Property were confiscated by Cuba in 1961, RRG owned and controlled RRHSC. Two of RRG's sons, Plaintiff Luis Manuel Rodriguez and Raul Bernardo Lupo Rodriguez ("RBLR"), who is now deceased, were involved in managing the RRHSC business prior to confiscation and owned small minority interests in RRHSC.

29. Plaintiff Luis Manuel Rodriguez is the last surviving son of RRG. He obtained his interest in the Claim through RRG's will upon RRG's death in 1964 and the minority interest that he owned in RRHSC.

30. Plaintiff Maria Teresa Rodriguez, a/k/a Maria Teresa Landa, was the last surviving daughter of RRG. She obtained her interest in the Claim through RRG's will upon RRG's death in 1964.

31. Plaintiff Alfredo Ramon Forns is the only child of RRG's daughter, Maria Mercedes Rodriguez ("MMR"). MMR, who was a U.S. citizen prior to 1996, obtained her interest

in the Claim through RRG's will upon RRG's death in 1964. MMR was a Florida resident prior to and at the time of her death in 2013, when she died intestate. Plaintiff Alfredo Ramon Forns obtained his interest in the Claim by operation of law upon MMR's death.

32. Plaintiff Ramon Alberto Rodriguez is the son of Ramon Francisco Rodriguez, ("RFR") who predeceased RRG. Plaintiff Ramon Alberto Rodriguez obtained his interest in the Claim through RRG's will upon RRG's death in 1964.

33. Plaintiffs Raul Lorenzo Rodriguez and Francisco Ramon Rodriguez are the sons of RBLR, and Christina Conroy is the only child of Alex Lorenzo Rodriguez ("ALR"), the third son of RBLR. ALR predeceased RBLR. RBLR obtained his interest in the Claim through RRG's will upon RRG's death in 1964 and the minority interest that he owned in RRHSC. RBLR was a Florida resident prior to and at the time of his death in 1986, when he died intestate. Plaintiffs Raul Lorenzo Rodriguez, Francisco Ramon Rodriguez, and Christina Conroy obtained one-half of their interest in the Claim by operation of law upon RBLR's death. The other half of RBLR's interest in the Claim was transferred by operation of law to his wife Esther Beltran Rodriguez ("EBR") upon RBLR's death. EBR, who was a U.S. citizen prior to 1996, passed her interest in the Claim to Plaintiffs Raul Lorenzo Rodriguez, Francisco Ramon Rodriguez, and Christina Conroy through her will upon EBR's death in 2019.

34. Upon information and belief, Defendant Imperial is a limited liability company incorporated in England and Wales, having its principal place of business in England.

35. Upon information and belief, Defendant Habanos is a Cuban joint venture corporation controlled by Cuba. At all times from January 2008 through October 29, 2020, Imperial owned a 50% financial interest in Habanos, either directly or through one or more subsidiaries, the other 50% financial interest was owned by the Cuban government, either directly

or through one or more Cuban-controlled entities. According to Imperial, "The international marketing of Cuban hand-made cigars is carried out through Habanos S.A., in which we have a 50 per cent stake."[12]

36. Defendant WPP PLC ("WPP"), is a limited liability company incorporated in the Bailiwick of Jersey with "dual-headquarters in London and New York City"[13], and thus maintains a principal place of business in New York.[14] WPP earns more of its income from the U.S than any other country.[15]WPP also leases over 2.8 million square feet of office space in the U.S.[16]

37. Upon information and belief, Defendant Young & Rubicam LLC ("Y&R"), is a limited liability company organized and existing under the laws of the State of Delaware having its principal place of business in New York. Y&R is qualified to do business in the State of Florida and has offices in Miami-Dade County. Y&R is also qualified to do business in the State of New York.

38. Y&R LLC is a limited liability company organized and existing under the laws of the State of New York and is the alter ego for Y&R and vice versa. Confusingly, Y&R also does business through its identity as Y&R LLC and vice versa.

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[12] *See* https://www.imperialbrandsplc.com/about-us/our-companies/tabacalera.html

[13] *See* SEC Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order at 2, ¶ 3, available at https://www.sec.gov/litigation/admin/2021/34-93117.pdf.

[14] *See id.; see also* WPP Form 20-F filing with SEC for year ended 12/31/2020 ("WPP Form 20-F Filing") at 9 (WPP has "principal offices in London and New York"), available at https://www.sec.gov/Archives/edgar/data/806968/000119312521138800/d10820d20f.htm .

[15] *See* WPP Form 20-F filing at 8-9.

[16] *See id*. at 12.

39. Upon information and belief, Defendant BCW LLC, a/k/a Burson Cohn & Wolfe LLC ("BCW"), is a limited liability company incorporated in Delaware having its principal place of business in New York. BCW is a subsidiary of WPP and has offices in Miami-Dade County.

Jurisdiction and Venue

40. Plaintiffs' claim arises under 22 U.S.C. § 6021, et seq., and the amount in controversy exceeds the sum or value of $50,000, exclusive of interest, costs, and attorneys' fees. Therefore, this Court has subject matter jurisdiction (federal question) pursuant to 28 U.S.C. § 1331.

41. As further set out below, Habanos committed tortious acts in Miami-Dade County, Florida. In particular: (1) Habanos leases, possesses, controls, manages, uses, or otherwise acquired or holds an interest in the confiscated RRHSC Property[17]; (2) Habanos has engaged and continues to engage "in a commercial activity using or otherwise benefiting from" the RRHSC Property confiscated by Cuba[18]; and (3) Habanos "causes, directs [or] participates in . . . trafficking" by Imperial, the WPP Group, including WPP, Y&R, and BCW, and by non-parties, Ogilvy, Twitter, YouTube, and Instagram.[19] The trafficking was furthered through the use of US websites, internet domains and other US Services described more fully below. These acts have caused damage to Plaintiffs, five of whom reside in Florida.

42. As set forth in this complaint, the RRHSC Property was confiscated by the Cuban government and is currently owned or controlled by Habanos or Tabacuba, each of which is an

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[17] *See* 22 U.S.C. § 6023(13)(A)(i).

[18] *See* 22 U.S.C. § 6023(13)(A)(ii).

[19] *See* 22 U.S.C. § 6023(13)(A)(iii).

agency or instrumentality of the Cuban government[20], or an organ of the Cuban government. As set forth in this complaint, this action is based upon a commercial activity carried on in the United States by Habanos through its agents, and acts performed in the United States in connection with Habanos' commercial activity, or upon acts performed outside the United States in connection with a commercial activity of the Cuban government that causes a direct effect in the United States, specifically, advertising, marketing and trafficking, of tobacco products that were purchased, sold, manufactured, packaged or marketed from the RRHSC Property, through agents WPP Group, WPP, Y&R, BCW, Ogilvy, Twitter, YouTube, and Instagram. The trafficking was furthered through the use of US websites, internet domains and other US Services described more fully below. Habanos is not immune to the jurisdiction of this Court pursuant to 28 U.S.C. §1605(a)(2).

43. Pursuant to 22 U.S.C. § 6082 (Section 302 of the HBA) service of process on an agency or instrumentality of a foreign state in the conduct of a commercial activity, or against individuals acting under color of law, shall be made in accordance with section 1608 of Title 28. Pursuant to Fed. R. Civ. P. 4(j)(1) and 28 U.S.C. §1608, as an agency or instrumentality of the Cuban government, Habanos is properly served by "Serving a Foreign, State, or Local Government."

44. As further set out below, Imperial committed tortious acts in Miami-Dade County, Florida. In particular, Imperial through its ownership interest in Habanos: (1) leases, possesses, controls, manages, uses, or otherwise acquired or holds an interest in the confiscated RRHSC Property[21]; (2) has engaged and continued, at least until October 2020, to engage "in a commercial

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[20] *See* n. 8, *supra*.

[21] *See* 22 U.S.C. § 6023(13)(A)(i).

activity using or otherwise benefiting from" the RRHSC Property confiscated by Cuba[22]; and (3) "causes, directs [or] participates in, or profits from, trafficking" by Habanos and other joint venture companies owned by Imperial and Tabacuba, including the Cuban Joint Ventures and Altabana, S.L.[23], as well as by the WPP Group, WPP, Y&R, BCW, Ogilvy, Twitter, YouTube, and Instagram.[24] The trafficking was furthered through the use of US websites, internet domains and other US Services described more fully below. In addition, Imperial has further profited from the confiscated RRHSC Property through its recent sale of some or all of its interests in Habanos and the other Cuban Joint Venture companies owned by Imperial and Tabacuba involved in the management, manufacture, sale, marketing, and distribution of Cuban tobacco products that have value at least in part as a result of their engagement "in a commercial activity using or otherwise benefiting from" the confiscated RRHSC Property. These acts have caused damage to Plaintiffs, five of whom reside in Florida.

45. As further set out below, WPP committed tortious acts in Miami-Dade County, Florida. WPP through its ownership in and its control of the WPP Group, including WPP, Y&R, BCW and Ogilvy "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, Y&R, BCW, Twitter, YouTube, and Instagram.[25] This trafficking was conducted in part

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[22] *See* 22 U.S.C. § 6023(13)(A)(ii).

[23] Altabana is a joint venture corporation 50% owned by Imperial, either directly or through one or more subsidiaries, and 50% owned by Cuba or Cuban-controlled entities. According to Imperial, Altabana holds Imperial's "investments in subsidiary companies involved in the marketing and sale of Cuban cigars." *See* Imperial 2019 Annual Report at 166.

[24] *See* 22 U.S.C. § 6023(13)(A)(iii).

[25] *See* 22 U.S.C. § 6023(13)(A)(iii).

through the use of US websites, internet domains and other US Services described more fully below. These acts have caused damage to Plaintiffs, five of whom reside in Florida.

46. Upon information and belief, WPP itself has few if any direct employees. Instead, WPP uses employees of the various WPP affiliates in the WPP Group to supervise and control the entirety of the WPP Group. The members of the WPP Group share resources, act as alter egos for one another and together constitute a constructive joint venture. Among other things, "WPP centrally coordinated the group's financial matters, reporting, control, treasury, tax, mergers, acquisitions, investor relations, legal affairs and internal audit from its headquarters."[26]

47. Upon information and belief, Y&R, together with other subsidiaries of WPP ("affiliates"), operate as a single company, under the name "VMLY&R".

48. Upon information and belief, Y&R and its affiliates operating under the name "VMLY&R" share resources, act as alter egos for one another and together constitute a constructive joint venture.

49. Upon information and belief, Y&R directly benefits by having other companies operate under the name "VMLY&R", "Y&R" and/or "Young & Rubicam" as it presents the image of a large, wide reaching, and multifaceted international company to the general public and specifically to Y&R clients.

50. Upon information and belief, BCW, together with other subsidiaries of WPP ("affiliates"), operates as a single company, under the name "BCW"

[26] *See* SEC Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order at 3, ¶ 5, available at https://www.sec.gov/litigation/admin/2021/34-93117.pdf.

51. Upon information and belief, BCW and its affiliates operating under the name "BCW", share resources, act as alter egos for one another and together constitute a constructive joint venture.

52. Defendant BCW has also done business under the name "Young & Rubicam" and "Young & Rubicam Group."

53. Upon information and belief, BCW directly benefits by having its affiliates conduct business and operate under the name "BCW", as it presents the image of a large, wide reaching, and multifaceted international company to the general public and specifically to BCW clients.

54. Upon information and belief, WPP, Y&R, BCW, and the WPP Group also use the unincorporated trade name "Young & Rubicam Group," or "Y&R Group," (collectively, "Y&R Group") among other things, to: (1) purchase Internet, email, and other networking and telecom services in the United States ("US Services"), including the "YR.com," " BM.com," and "Ogilvy.com" Internet domains, social media "portals" operated by Twitter, Instagram, and YouTube, networking and other services provided through Microsoft, and other services sold by US companies; (2) distribute US Services among WPP, Y&R, BCW, Ogilvy, and other affiliates in the WPP Group; and (3) market and sell WPP Group products and services, including through the use of US Services, to clients worldwide, including Habanos, the Cuban Joint Ventures and other Cuban Government entities.

55. The sale of U.S. Services to the Cuban Government, including Habanos and the Cuban Joint Ventures, is prohibited by law including the Cuban Assets Control Regulations, 31 C.F.R. Part 515 ("CACRs").[27] U.S. companies, including the U.S. companies that provide the U.S.

[27] *See* 31 C.F.R § 515.206 (excluding from "exempt transactions" the: "provision of marketing and business consulting services" and "provision of services to market, produce or co-produce, create or assist in the creation of information or informational materials.").

Services that the WPP Group purchases for distribution to WPP subsidiaries for resale to clients worldwide, including Habanos, the Cuban Joint Ventures and other Cuban Government entities, expressly prohibit the sale of those services to Cuba.[28]

56. The trafficking by WPP, Y&R and BCW at issue here is in the form of marketing, merchandizing, branding, or advertising services for the benefit of the Cuban government and the entities it controls, including Habanos and the Cuban Joint Ventures. That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act. This conduct is not exempted by the CACRs, which apply to all "person[s] subject to the jurisdiction of the United States," including corporations owned by U.S. companies, such as Y&R, BCW, Ogilvy and the subsidiaries those US companies own and control. The CACRs apply equally to WPP and its direct and indirect subsidiaries. [29]

57. Y&R, either directly or through its affiliates, committed tortious acts in Miami-Dade County, Florida. Y&R "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, Twitter, YouTube, and Instagram.[30] That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs. These acts have caused damage to Plaintiffs, five of whom reside in Florida.

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28 For example, Microsoft states that "***All Microsoft Online Services***," including Office 365, "***are unavailable in Cuba***." *See* Microsoft.com "International availability" (emphasis added) available at: https://www.microsoft.com/en-us/microsoft-365/business/international-availability; *see also* Google Workspace Terms of Service ("3.3 ***Restrictions***. ***Customer*** will not, and ***will not allow End Users to*** . . . (d) access or ***use the Services*** . . . (vii) ***in a manner that breaches, or causes the breach of, Export Control Laws***.") (emphasis added) available at: https://workspace.google.com/terms/premier_terms.html.

29 *See* 31 C.F.R § 515.329(c)-(d); *see also* 50 U.S.C. app. § 5(b)(1); *Odebrecht Const., Inc. v. Sec'y, Fla. Dep't of Transp.*, 715 F.3d 1268, 1281–82 (11th Cir. 2013).

30 *See* 22 U.S.C. § 6023(13)(A)(iii).

58. BCW, either directly or through its affiliates, committed tortious acts in Miami-Dade County, Florida. BCW "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, Twitter, YouTube, and Instagram.[31] That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs. These acts have caused damage to Plaintiffs, five of whom reside in Florida.

59. WPP, either directly or through its affiliates, including the WPP Group, Y&R, BCW, and Ogilvy committed tortious acts in Miami-Dade County, Florida. WPP "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, the WPP Group, Y&R, BCW, and Ogilvy, Twitter, YouTube, and Instagram.[32] That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs. These acts have caused damage to Plaintiffs, five of whom reside in Florida.

60. Imperial knew in 2007, years after the passage of the Liberty Act, when it purchased its interest in Habanos and the other Cuban Joint Ventures engaged in trafficking in property confiscated by the Cuban government, that Habanos' operations would "be restricted . . . by the nationality of the personnel that" Imperial could "involve in" the Cuban cigar business that it decided to acquire, whose business was based on trafficking in property confiscated by the Cuban government.[33]

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[31] *See* 22 U.S.C. § 6023(13)(A)(iii).

[32] *See* 22 U.S.C. § 6023(13)(A)(iii).

[33] *See* Imperial's October 12, 2007 "Response" to SEC inquiry at 2 (acknowledging that by acquiring "Altadis' 50% ownership interest in [Habanos] a company which distributes cigars manufactured in Cuba," Imperial "may be restricted . . . by the nationality of the personnel that we involve in these activities. In particular, Altadis' cigar operations in Cuba could be materially limited by the operation of the" the Liberty Act). Copy attached at Exhibit 4; *see id*. at 4 ("Altadis owns a 50% interest in Habanos, the remaining 50% of which is owned by the Cuban state.")

61. Notwithstanding, Imperial decided, beginning no later than 2010 and continuing at least through October 2020, to retain, either directly or through Habanos, WPP, the WPP Group and its U.S.-based corporate agents, Ogilvy and later Y&R and BCW, to engage in the marketing of, i.e., trafficking in, Cuban cigars managed from, or manufactured at, stored in, or distributed from, the confiscated RRHSC Property. In addition, no later than 2017, Imperial also decided, either directly or through Habanos, WPP, the WPP Group and U.S. Corporate Agents, to contract for the use of social media "portals" operated by still additional U.S. corporations. These corporations include Twitter, Instagram and YouTube[34], all for the purpose of furthering Imperial and Habanos' ability to profit from the trafficking of property confiscated by the Cuban government, including the RRHSC Property. That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs.

62. WPP similarly knew that its extensive U.S. business activities, conducted both directly and through its many wholly-owned subsidiaries, including Ogilvy, Y&R, BCW, WPP USA and the WPP Group, and the additional subsidiaries owned and controlled by these U.S. companies, would render it "subject to the laws of the US . . . that impose sanctions and regulate the supply of services to certain countries." [35] These laws include, of course, the Liberty Act. WPP

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[34] The sponsored official social media "portals" established by Twitter, Instagram, and YouTube are not exempted by the Liberty Act nor by the Cuban Assets Control Regulations, 31 C.F.R. Part 515. *See* 31 C.F.R. § 515.578(a) (authorizing the exportation to Cuba of "services incident to the exchange of communications over the internet, such as . . . social networking [and] sharing of photos" but only if "such services are widely available to the public ***at no cost to the user***") (emphasis added); *id.*, §515.578(b)(1) (expressly excluding from authorized services the: "direct or indirect exportation . . . of services with knowledge or reason to know that such services are intended for . . . ***organizations administered or controlled by the Government of Cuba***.") (emphasis added); *see also* 31 C.F.R § 515.206.

[35] *See* WPP Form 20-F filing with SEC for year ended 12/31/2017 at 5,

nevertheless decided to involve these U.S. subsidiaries, or the subsidiaries of these WPP subsidiaries, in marketing and publicizing products produced at, stored in and shipped from, the confiscated RRHSC Property. WPP thereafter directed or allowed its U.S. subsidiaries, including Y&R, BCW, WPP USA and the WPP Group, to use US Services, including YR.com, BM.com, Ogilvy.com, and the social media portals by Twitter, Instagram and YouTube, for the purpose of trafficking in the RRHSC Property, including providing marketing and advertising services for Habanos through US Services.

63. Each of the acts described in paragraphs 40 – 62, above, constituted trafficking in violation of the Liberty Act. Further, each act of trafficking in the RRHSC Property caused damage to Plaintiffs, five of whom reside in Miami-Dade County.

64. Due to their extensive use of US Services to market, publicize and assist in the trafficking of the RRHSC Property confiscated by the Cuban government, including through U.S. Agents using US Services in violation of the Liberty Act and the CACRs, Defendants Habanos, Imperial and WPP should reasonably have anticipated the possibility that they would be sued in the United States by U.S. Nationals holding claims to property confiscated by the Cuban government, including this lawsuit on the Claim to the RRHSC Property.

65. Due to their actions described above, all Defendants should further have reasonably anticipated the possibility that they would be sued in the Southern District of Florida, which is widely-known to be home to over a million Cuban refugees and their successors, many of whom are U.S. Nationals owning claims to property confiscated by the Cuban government.

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https://www.sec.gov/Archives/edgar/data/806968/000119312518141442/d462033d20f.htm (disclosing business "risks" and acknowledging that: "Failure to comply with these laws could expose the Group [WPP] to civil and criminal penalties . . ..")

66. This Court has personal jurisdiction over each Defendant pursuant to the Florida "long-arm" statute, Section 48.193(1)(a), Florida Statutes, because each Defendant committed a tortious act within this state, either directly or through an agent, and the cause of action asserted against each Defendant arises from that tortious conduct.

67. This Court also has personal jurisdiction over Y&R pursuant to the Florida "long-arm" statute, Section 48.193(2), Florida Statutes. At all times relevant hereto, Y&R has engaged in substantial and not isolated activity in the State of Florida such that exercising general jurisdiction over Y&R does not offend the notions of due process. Y&R filed for, and was granted, authority to transact business in the State of Florida since 2018; prior to 2018, one of Y&R's alter egos, Young & Rubicam Inc. (a Delaware Corporation), was qualified to do business in Florida from 1998 to 2018; prior to that, another one of Y&R's alter egos, Young & Rubicam Inc. (a New York Corporation), filed for, and was granted, authority to transact business in Florida from 1995 to 1997. Y&R, together with its alter egos, has had a constant presence in Florida since at least 1995. Upon information and belief, Y&R derived significant income from the State of Florida, either directly or through its alter egos. Upon information and belief, Y&R, directly or through one of its alter egos, either owned or leased one or more properties in the State of Florida from 1995 to 2020.

68. This Court also has personal jurisdiction over BCW pursuant to the Florida "long-arm" statute, Section 48.193(2), Florida Statutes. At all times relevant hereto, BCW has engaged in substantial and not isolated activity in the State of Florida such that exercising general jurisdiction over BCW does not offend the notions of due process. Burson-Marsteller, LLC, the predecessor to BCW, filed for, and was granted, authority to transact business in the State of Florida in 2003. In 2018, Burson-Marsteller, LLC filed an amendment to its certificate to transact

business in Florida reflecting that the company had changed its name to BCW LLC (and if the name is unavailable, it would use Burson Cohn & Wolfe LLC as an alternate name of transacting business in Florida), and as of 2021, BCW remains authorized to business in Florida. Upon information and belief, BCW has had a constant presence in Florida since at least 2003 through at least the end of 2020. Upon information and belief, BCW derived significant income from the State of Florida. Upon information and belief, BCW, directly or through one of its affiliates, either owned or leased one or more properties in the State of Florida from 2003 to 2020.

69. This Court also has personal jurisdiction over WPP pursuant to the Florida "long-arm" statute, Section 48.193(2), Florida Statutes. Upon information and belief, WPP operating through one or more of its subsidiaries has engaged in substantial and not isolated activity in the State of Florida such that exercising general jurisdiction over WPP does not offend the notions of due process.

70. In the alternative, if Defendants are deemed not to have sufficient contacts with Florida despite their commission of multiple acts of trafficking in violation of the Liberty Act causing damage to Plaintiffs in Florida, those Defendants who are not subject to the jurisdiction of any other State within the United States, are nevertheless subject to personal jurisdiction under the federal "long-arm" statute set out in Rule 4(k) of the Federal Rules of Civil Procedure.[36] If Defendants' personal contacts with any single state are not sufficient to subject them to personal jurisdiction in any particular state, Rule 4(k) allows the Court to consider a defendant's contacts with the U.S. as a whole where the claim asserted against the defendant arises under federal law.

[36] Rule 4(k) provides in relevant part: "(2) For a claim that arises under federal law, serving a summons . . . establishes personal jurisdiction over a defendant if: (A) the defendant is not subject to jurisdiction in any state's courts of general jurisdiction; and (B) exercising jurisdiction is consistent with the United States Constitution and laws."

Plaintiffs' claim here arises under the federal Liberty Act. Therefore, Defendants' contacts with the U.S. as a whole, including Imperial, Habanos and WPP's reliance on Y&R, BCW, and US Services, including Twitter, YouTube, and Instagram to conduct marketing and social media campaigns in violation of the Liberty Act, are sufficient to satisfy the applicable constitutional requirements.

71. Venue is proper in the Southern District of Florida under 28 U.S.C. §§ 1391(b)(2) and 1391(d), because a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in the Southern District of Florida.

Facts

72. Plaintiffs are U.S. Nationals as defined by the Libertad Act. *See* 22 U.S.C. § 6023(15).

73. The RRHSC Property was owned and improved by RRHSC until the Cuban Government confiscation in 1961.

74. As part of its takeover of the entire tobacco industry, the Castro government confiscated ownership of RRHSC and the RRHSC Property on June 30, 1961.[37]

75. The communist Cuban Government maintains possession and control of the RRHSC Property and has not paid any compensation to Plaintiffs, or their predecessor RRG, for its seizure. Nor has any claim to the RRHSC Property been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure.

[37] On June 30, 1961, by decision of the "Junta Central de Planificación," Cuba's Central (Economic) Planning Board, Cuba's communist government confiscated ownership of RRHSC as part of it takeover of the entire tobacco industry. *See* excerpt at Exhibit 5; English translation of excerpt at Exhibit 5A; Spanish text of excerpt at Exhibit 5B. The Junta Central de Planificación's decision and proclamation appears in Cuba's government register, the "Gaceta Oficial," No. 131 dated July 7, 1961, page 13203.

76. Plaintiffs are the rightful owners of the Claim arising from Cuba's "nationalization" and uncompensated taking of the RRHSC Property.

77. Upon information and belief, Imperial acquired its interest in Habanos in 2007 when it acquired "Altadis' 50% ownership interest in" Habanos "a company which distributes cigars manufactured in Cuba." Imperial knew that Cuba, its joint venture partner in Habanos, Altabana, and the Cuban Joint Ventures (through its monopoly company, Tabacuba), acquired its interest in and control over the Cuban tobacco industry and the RRHSC Property by "nationalizing" assets when the rightful owners of the property fled the brutal Castro dictatorship.

78. The RRHSC Property is currently in the exclusive control of the Cuban government through Tabacuba and Imperial's (now presumably former) joint venture partnership, Habanos. Upon information and belief, Tabacuba and Habanos have continuously used the RRHSC property without authorization from the Rodriguez Family since at least 2010, and likely for many years before that, until the present.[38]

79. The unauthorized use of the RRHSC Property includes the management, production, storage, and shipping of millions hand-rolled cigars (sold under various premium brand names) and other tobacco products manufactured at the property, or manufactured at other nearby factories, and stored, processed or shipped from the RRHSC Property. Imperial and Habanos' trafficking also includes use of the RRHSC Property for marketing and publicity of Habanos' products.[39] The RRHSC Property, of course, is in Cuba which remains under the control of the same regime that confiscated the property.

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[38] The photographs at Composite Exhibit 2 were taken in December 2019 and show the Tabacuba offices at the RRHSC Property occupied, as well as vehicles outside of two loading docks at the property.

[39] *See* Composite Exhibit 6 containing pictures published by the Habanos website of "visit

80. Habanos itself documented its possession, control of, management, and use of the RRHSC Property. In a February 2010 publicity piece entitled: "Cigar Factory Readings and Readers," Habanos referred to the factory (the RRHSC Property) "Standing on famous 23rd Street in Havana's bustling Vedado neighborhood right between the 14th and 16th streets," as the "humongous and modern H. Upmann cigar factory."[40] The continuous use of the RRHSC Property includes the use of a portion of the RRHSC Property by Imperial's joint venture partner, Tabacuba, for its executive offices for the management of the Cuban tobacco business, and the use of the loading dock[41] and space for warehousing and shipping Habanos' products. Tabacuba's name appears prominently on the building.[42]

81. Imperial, Habanos, and Tabacuba, (collectively, the "Direct Traffickers") knowingly and intentionally lease, possesses, control, manage, use, or otherwise acquired or hold an interest in the confiscated RRHSC Property, without the authorization of the Rodriguez Family. Each also has engaged and continues to engage in a commercial activity using or otherwise benefiting from the confiscated RRHSC Property without the authorization of the Rodriguez Family.

82. Imperial and its partner Tabacuba, through the joint venture companies they jointly control, have expanded their use of and benefit from the RRHSC Property by retaining agents to market and publicize the products produced or stored at, or distributed from the confiscated

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the factories" tours promoted by Habanos at the RRHSC Property. Exhibit 7 is a picture of the loading dock at the RRHSC Property in operation.

[40] *See* http://habanosnews.habanos.com/en/cigar-factory-readings-and-readers .

[41] *See* Composite Exhibit 2 and Exhibit 7.

[42] *See* Composite Exhibits 2 and 3.

RRHSC Property. The agents retained by Imperial and Habanos include WPP through its advertising agency subsidiaries, including the WPP Group, Y&R, BCW, and Ogilvy. Among other things, those agencies assisted in setting up, or directly set up, the sponsored "official" portals listed above on the Twitter, YouTube, and Instagram platforms (Y&R, BCW, Ogilvy, Twitter, YouTube, and Instagram, collectively, the "U.S. Corporate Agents"). The work of the U.S. Corporate Agents on behalf of Imperial, Habanos and Tabacuba has included marketing and publicizing the Habanos' products manufactured in, stored at, or shipped from, the RRHSC Property. The trafficking by the U.S. Corporate Agents was accomplished through use of US Services. WPP, acting in serial and uninterrupted fashion, first through Ogilvy and later through Y&R and BCW, has continuously marketed and publicized the RRHSC Property, and the Habanos' products made at, stored in, or shipped from the RRHSC Property, since at least 2010.

83. Between 2010 and 2015, WPP and the WPP Group nominally used a subsidiary known as Ogilvy to market Habanos products. Beginning in 2016, marketing of Habanos products was nominally switched to Y&R, another WPP subsidiary. Most recently, beginning in 2019, marketing of Habanos products was again nominally switched to still another WPP subsidiary, BCW. In each instance, the switch from one to another WPP subsidiary was done without any apparent break or interruption in marketing services. Indeed, although WPP ostensibly switched from using Y&R to using BCW as the Habanos trafficking marketer, BCW continued using the same contact address as Y&R had been using -- (press.habanos@yr.com).

84. The Direct Traffickers have expanded their trafficking by retaining agents to assist in and further their trafficking in the property. The U.S. Corporate Agents have, and continued to, knowingly and intentionally, act as agents for the Direct Traffickers at least until October 2020.

Each has and continues to cause, direct, participate in, or profit from, the trafficking of the RRHSC Property by the Direct Traffickers, all without the authorization of the Rodriguez Family.

85. Imperial, Habanos, WPP, Y&R and BCW either knew, or had reason to know that the Cuban tobacco in the products advertised or promoted by WPP, Y&R and BCW were (i) purchased, stored, managed, or sold by Tabacuba at or from the RRHSC Property, and that (ii) Tabacuba is the Cuban government run monopoly managing the growth, purchase and sale of raw tobacco. Imperial, Habanos, WPP, Y&R and BCW are bound by the knowledge of Imperial's partner Tabacuba which at all times was aware that RRHSC and the RRHSC Property were confiscated by the Cuban government.

86. In October 2020, Imperial announced that it had completed the sale of what it previously described as "its worldwide premium cigar businesses," including the non-U.S. business it calls "the Rest of the World business ("Premium Cigar RoW").[43] The sale was apparently completed on October 29, 2020.[44] By Imperial's own admission, these "assets" consisted primarily of Imperial's interest in Cuban joint venture companies, including:

> A 50 per cent stake in Habanos S.A., which exports hand-made cigars from Cuba and is responsible for international marketing activities. . . .
>
> A 50 per cent stake in Altabana S.L., which is responsible for the distribution of Cuban cigars worldwide through its network of over 20 subsidiary distributors.
>
> A 50 per cent stake in Internacional Cubana de Tabaco, S.A., which is responsible for the manufacturing of Cuban premium machine-made cigars.

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[43] *See Imperial Brands PLC agrees sale of Worldwide Premium Cigar Business* at 1, https://www.imperialbrandsplc.com/media/key-announcements/2020/imperial-brands-plc-agrees-sale-of-worldwide-premium-cigar-busin.html

[44] *See Imperial Brands PLC completes sale of its Worldwide Premium Cigar Businesses*, https://www.imperialbrandsplc.com/media/key-announcements/2020/imperial-brands-plc-completes-sale-of-its-worldwide-premium-ciga.html

> A 50 per cent stake in Promotora de Cigarros, S.L., which manages the distribution of the Cuban premium machine-made cigar portfolio worldwide.
>
> Other sales of premium cigar products through Tabacalera SA including:
>
> Exclusive distribution of Cuban handmade cigars in Spain.

87. Imperial has further profited, or is attempting to further profit, from the confiscated RRHSC Property through its recent agreement to sell some or all of its interests in Habanos and other Imperial subsidiaries involved in the manufacture, sale, marketing, and distribution of Cuban tobacco products that have value at least in part as a result of their engagement "in a commercial activity using or otherwise benefiting from" the confiscated RRHSC Property.

88. Consistent with its purpose of "deter[ing] third party foreign investors from trafficking in confiscated property (defined as '**purchas[ing] an equity interest in, manag[ing], or enter[ing] into joint ventures** using property and assets some of which were confiscated from United States nationals.')[45], the Liberty Act defines trafficking in property confiscated by the Cuban government broadly. For purposes of the act, a person "traffics" in confiscated property if that person "knowingly"[46] and intentionally:

> (i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, ***leases***, receives, ***possesses***, ***obtains control of***, ***manages***, ***uses***, or otherwise acquires or holds an interest in confiscated property,
>
> (ii) ***engages in a commercial activity using or otherwise benefiting from*** confiscated property, or
>
> (iii) ***causes***, ***directs***, ***participates in***, ***or profits from***, ***trafficking*** (as described in clause (i) or (ii)) ***by another person***, ***or otherwise engages in***

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[45] *See Glen v. Club Mediterranee S.A.*, 450 F.3d 1251, 1255 (11th Cir. 2006) (emphasis added) (quoting 22 U.S.C. § 6081(5)).

[46] The term "knowingly" is defined in the Act as meaning "with knowledge or having reason to know." *See* 22 U.S.C. § 6023(9).

> ***trafficking*** (as described in clause (i) or (ii)) ***through another person***, without the authorization of any United States national who holds a claim to the property.

See 22 U.S.C. § 6023(13) (emphasis added).

89. Property is also broadly defined in the Liberty Act:

> The term "property" means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal, or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

90. The conduct described above constitutes trafficking in the RRHSC Property by Imperial and Habanos. Each knowingly and intentionally engages or engaged in a commercial activity using or otherwise benefiting from the confiscated RRHSC Property, without the authorization of the Rodriguez Family. Each also causes, directs, participates in, or profits from, trafficking of the RRHSC Property by Cuba (and Tabacuba), again without the authorization of the Rodriguez Family.

91. Habanos is controlled by the Cuban government which confiscated the RRHSC Property. Imperial had access to Cuban government property and corporate records before it purchased its joint venture interest in Habanos. In addition, Imperial knew by no later than 2010 that the RRHSC Property was being used by Habanos to manufacture cigars. Imperial also knew or should have known since at least 2010 that its joint venture partner, Tabacuba, was using the RRHSC Property for administrative offices to support Habanos' operations and for warehousing and shipping cigar products manufactured and sold by Habanos. The use of the RRHSC Property by and for the benefit of Habanos and Imperial continued at least through October 2020.

92. WPP knew or should have known that the WPP Group including its U.S. subsidiaries, or subsidiaries of those U.S. corporate subsidiaries, continuously beginning in 2010 (Ogilvy), then in 2016 (Y&R) and in 2019 (BCW), were engaged in conduct that constituted

trafficking in confiscated property under the Liberty Act. Similarly, Y&R knew or should have known that its subsidiaries or affiliates beginning in 2016, and BCW knew or should have known that its subsidiaries and/or affiliates, beginning in 2019, were engaged in conduct that constituted trafficking in confiscated property under the Liberty Act. The information was available in Cuban corporate and property records and was available from their principal on the trafficking assignments, Habanos or Imperial.

93. WPP knew or should have known that by conflating its subsidiaries by having such subsidiaries market their services under the same name, and by sharing services and assets, WPP and the subsidiaries would be acting as one entity

94. Y&R knew or should have known that by having other companies market their services under the same brand name as Y&R, and by sharing services and assets, Y&R and the subsidiaries would be acting as one entity.

95. BCW knew or should have known that by having other companies market their services under the same brand name as BCW, and by sharing services and assets, BCW and the subsidiaries would be acting as one entity.

96. The conduct described above also constitutes trafficking in the RRHSC Property by WPP, Y&R, and BCW. In particular, by assisting Imperial, Habanos, and Tabacuba in marketing and publicizing the Habanos' products manufactured, stored at or shipped from the RRHSC Property, including through extensive use of US Services, each causes, directs, participates in, or profits from, or otherwise engages in, trafficking in the RRHSC Property by Imperial, Habanos, and Cuba, all without the authorization of the Rodriguez Family.

97. Imperial and its joint venture partner Cuba (Tabacuba) have profited substantially from trafficking in the confiscated RRHSC Property. According to data reported in Imperial's

Annual Reports for the period from 2009 to 2019, "profits" earned by Imperial and Cuba from sales and distribution of Cuban cigars totaled over $1.5 billion. Total "revenues" exceeded $6.7 billion.[47] A significant portion of that profit and revenue was earned by trafficking in the confiscated RRHSC Property.

98. Plaintiffs provided a thirty-day notice each to Imperial, WPP, Y&R and BCW (and to Habanos in care of Imperial) stating, as provided by 22 U.S.C. § 6082 (3)(B) –(D), Plaintiffs' intention to commence this action and demanding that each Defendant immediately cease unlawfully trafficking in the RRHSC Property.

99. Notwithstanding Plaintiffs' notice, after the end of the 30-day period beginning on the date the notice was provided, each Defendant continued to traffic in the confiscated RRHSC Property.

Claim for Damages

100. Plaintiffs incorporate and reallege paragraphs 1 through 99 as if fully set forth herein.

101. This claim is brought pursuant to the Liberty Act, 22 U.S.C. § 6082.

102. As set out above, beginning no later than 2010 (Imperial, Habanos, and WPP), or no later than 2016 (Y&R) or no later than 2019 (BCW), each Defendant trafficked in the RRHSC Property that was confiscated by the Cuban Government on or after January 1, 1959 in violation

[47] Imperial's profits and revenues are reported in GBP. The over $1.5 billion in "profits" and over $6.7 billion in "revenues" were calculated by adding the "profits" and "revenues" reported in GBP by Imperial for its Habanos and Altabana joint ventures for the years 2009 to 2019. Those figures were then converted to dollars at an exchange rate of 1.25 GBP per dollar. That result was then doubled to reflect the presumably equal distribution of profits and revenues between Imperial and Cuba in their 50-50 joint venture companies.

of the Liberty Act and each is therefore liable to Plaintiffs, who own the Claim to the RRHSC Property, for money damages.

103. Plaintiffs are entitled to money damages under 22 U.S.C. § 6082(a)(1)(A), including:

(i) the amount which is the greater of--

. . . (II) the amount determined [by a special master pursuant to 22 U.S.C. § 6083(a)(2)]; or (III) the "fair market value" of the RRHSC Property, "calculated as being either the current value of the property, or the value of the property when confiscated plus interest, whichever is greater" ; and

(ii) court costs and reasonable attorneys' fees.

104. In addition, treble damages are warranted. Because Defendants continued to traffic in the RRHSC Property after receiving notice from Plaintiffs pursuant to § 6082 (3)(B)–(D), Plaintiffs are entitled to three times the money damages determined pursuant to § 6082(a)(1)(A), plus court costs and reasonable attorneys' fees. *See* 22 U.S.C. § 6082(a)(3)(B)-(C).

Jury Trial Demand

Plaintiffs hereby demand a trial by jury.

Respectfully submitted,

Rodriguez Tramont & Nuñez P.A.
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Paulino A. Núñez Jr.
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45 East 72nd Street
Suite 5-C
New York, NY 10021
Telephone: (212) 302-9494

COMPOSITE EXHIBIT 1

RAMON RODRIGUEZ E HIJOS. S. EN C.
CALLE 23 ENTRE 14 Y 16
HABANA

COMPOSITE EXHIBIT 2

TABACUBA
Empresa Comercializadora
de Tabaco en Rama "La Vega"
LA VEGA
TABACUBA
Empresa Comercializadora
de Tabaco en Rama "La Vega"

COMPOSITE EXHIBIT 3

TABACUBA
H. UPMANN
EMPRESA DE TABACO TORCIDO "JOSÉ MARTÍ"

EXHIBIT 4A

CORRESP 1 filename1.htm

Imperial Tobacco Group PLC
PO Box 244, Southville, Bristol BS99 7UJ
Tel: +44 (0) 117 933 7286
Fax: +44 (0) 117 933 7430

Ms Cecilia Blye
Office of Global Security Risk
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
United States of America

October 12, 2007

Re: Imperial Tobacco Group PLC
Form 20-F for Fiscal Year Ended September 30, 2006
Filed February 2, 2007
Form 6-K filed July 23, 2007
File No. 1-14874

Dear Ms Blye

Thank you for your letter of September 28, 2007. Having had the opportunity to carefully consider your comments I have set out below our responses. Where requested we have provided supplemental explanation and information and we will revise future filings to expand and enhance our disclosures.

In responding to your comments we acknowledge that:

- the Company is responsible for the adequacy and accuracy of the disclosure in its filings;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the Company's filings; and
- the Company may not assert staff comments as a defence in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

For your convenience, we have included each of your comments from your letter, in order and in italics, followed by our responses.

General

1. *We note the disclosure on page 9 of your Form 20-F, and in Exhibit 99.1, regarding your operations and the operations of the Enlarged Group in Iran, Syria and Cuba. In future filings, please revise the disclosure to make clear that the referenced countries are identified by the U.S. State Department as state sponsors of terrorism, so that it will be clear that the risk of "adverse public reaction or reputational harm as a result of doing business in countries that have been identified as state sponsors of terrorism by the U.S. State Department…" to which you refer relates specifically to your operations, and the Enlarged Group's operations, in Iran, Syria and Cuba.*

   Imperial Tobacco Response

   We will revise our disclosures in future filings to make clear that the referenced countries are identified by the U.S. State Department as state sponsors of terrorism. In this regard, we would propose including a risk factor to the following effect:
   "***We do business in certain countries subject to international sanctions***

Some of the countries in which we do business or with whom we have commercial dealings through third parties, such as Iran, Syria and Cuba, have been identified by the U.S. State Department as state sponsors of terrorism. Our activities in these jurisdictions are currently limited principally to selling tobacco products and purchasing tobacco leaf and are not material to our revenue, profit and financial condition. However, following completion of the proposed acquisition of Altadis, our business in Cuba, from which we have previously only sourced tobacco leaf, will become more significant as a result of Altadis' 50% ownership interest in Corporacion Habanos S.A. ("Habanos") a company which distributes cigars manufactured in Cuba.

We seek to comply fully with international sanctions to the extent they are applicable to us and will continue to do so following completion of the proposed acquisition of Altadis. However, in doing so we may be restricted in the sources of products that we supply to these jurisdictions, in our sources of funding for our operations in these jurisdictions or by the nationality of the personnel that we involve in these activities. In particular, Altadis' cigar operations in Cuba could be materially limited by the operation of the United States Cuban Assets Control Regulations and the United States Cuban Liberty and Democratic Solidarity (Libertad) Act 1996 (commonly known as Helms-Burton). New future sanctions or changes in existing sanctions could further restrict or entirely prevent us and the Enlarged Group from doing business in or having commercial dealings with certain jurisdictions, including Cuba, which could have an adverse effect on our revenue, profit and financial condition and that of the Enlarged Group.

Furthermore, we may suffer from adverse public reaction or reputational harm as a result of doing business in or having commercial dealings through third parties with countries that have been identified as state sponsors of terrorism by the U.S. State Department, including Iran, Syria and Cuba, or that are subject to international sanctions, notwithstanding that our activities comply with applicable international sanctions and regardless of the materiality of our operations in such countries to our operations or financial condition. Any such reaction could have an adverse effect on our revenue, profit and financial condition and that of the Enlarged Group or on the market price for our ordinary shares and ADSs."

2. *We refer you to the description of your operations in countries identified by the U.S. State Department as state sponsors of terrorism, and your purchase of tobacco leaf grown in Cuba, included in your letter to the staff dated February 11, 2005. Please provide us with an updated description of your operations in, and other contacts with, these countries, and a description of the Enlarged Group's operations in, and other contacts with, these countries.*

Imperial Tobacco Response

As requested we set out below an updated description of our operations in and other contact with nations identified by the U.S. State Department as state sponsors of terrorism.

Iran: The contract manufacturing arrangement with the Iranian Tobacco Company entered into by the group in 2002 remains in force. Under the arrangement we manufacture cigarettes for importation into Iran via a third party distributor. In the year ended September 30, 2006 the value of such net revenue was £4,234,000 and we generated an operating profit of £553,000. No cigarettes have been manufactured and no sales have been made under this arrangement in fiscal 2007.

Syria: We manufacture cigarettes for importation into Syria. In the year ended September 30, 2006 the value of our net revenues for Syria was £2,630,000 (of which £573,000 was for the domestic market and £2,057,000 for the duty free market), generating an operating profit of £1,348,000. Sales in fiscal 2007 were £564,000 in the domestic market and at £3,037,000 in the duty free market, giving a total of £3,601,000. All of the increase between 2006 and 2007 came from the duty free market.

We do not consider our current activity in these countries to be material to the group's financial results, either individually or in the aggregate. The table below illustrates our net revenues and operating profit in Iran and Syria in amount and as a percentage of total group net revenues and operating profit in fiscal 2006.

	Group	Iran		Syria	
	(£ millions)	(£ millions)	(% of Group)	(£ millions)	(% of Group)
Net revenues	3,162	4.2	0.13	2.6	0.08
Operating profit	1,311	0.6	0.05	1.3	0.01

We have not yet released our group financial results for 2007, but expect that our operations in Syria will have a similar level of significance to our group net revenues and operating profit. As mentioned above, we had no sales in Iran in fiscal 2007.

We have no subsidiaries, facilities or group personnel based in either Iran or Syria.

Cuba, North Korea and Sudan: Currently, we do not conduct business in Cuba, North Korea or Sudan. However, we advise the Staff that we purchase tobacco leaf grown in Cuba. These purchases, which are made via an international tobacco leaf dealer, totalled £290,000 in fiscal 2006 and £802,000 in fiscal 2007.

Altadis/the Enlarged Group: We have additionally provided a description of the Altadis operations in these countries. However, given that we have not had access to perform significant due diligence on the Altadis Group, our understanding of Altadis' operations in these countries is based on information included in public documents filed by Altadis or published by Altadis on its website.

The acquisition of Altadis was approved by our shareholders at an extraordinary general meeting held on August 13, 2007. The formal offer document (*folleto informativo*) is currently being reviewed by the *Comisión Nacional del Mercado de Valores*, the Spanish securities regulator (the "CNMV"). Following approval by the CNMV, we will commence our tender offer for Altadis, which has three conditions: (i) EU competition clearance, (ii) tender of at least 80% of the outstanding ordinary shares of Altadis and (iii) removal of the 10% limitation on the exercise of voting rights contained in Altadis' by-laws. We have applied for EU competition clearance and are currently awaiting the decision of the regulator. Following the launch of our tender offer, there would be an acceptance period of approximately 60 days during which an extraordinary general meeting of Altadis shareholders would be called in order to remove the voting limitation. As the acquisition is subject to the satisfaction of conditions that are outside of our control, we cannot be certain that the acquisition will be completed.

In 2000 Altadis acquired a 50% interest in Corporacion Habanos S.A. ("Habanos") a company based in Cuba. Habanos distributes cigars manufactured in Cuba on a global basis. Habanos sales included in the accounts of Altadis for the year ended December 31, 2006 totalled €135million (£93 million) representing 3.4% of the Altadis Group's economic sales.

We also understand that Altadis manufactures cigarettes for importation into Syria. Altadis have not publicly disclosed the value of its sales to Syria; however, we do not believe such sales will be material to the Enlarged Group. We are not aware of any Altadis operations in Iran, North Korea or Sudan.

3. *Please clarify for us whether the operations of the Enlarged Group in Syria and Cuba will be material to the revenue, profit and financial condition of the Enlarged Group.*

Imperial Tobacco Response

Based upon the information that has been made available to us, if the acquisition of Altadis is completed, we estimate that the operations in Syria and Cuba will represent less than 2% of the revenue and profits of the Enlarged Group. As such we do not consider the operations to be material to the revenue, profit and financial condition of the Enlarged Group.

4. *Please advise us whether, and the extent to which, the governments of Iran, Syria, and Cuba, or persons or entities controlled by those governments, receive cash or act as intermediaries in connection with your and Altadis' operations.*

Imperial Tobacco Response

The Iranian Tobacco Company is a state-owned monopoly. However, because the transactions in which we were involved were the manufacture of cigarettes for sale to them via a third party distributor based in the UAE, we received no revenues from them directly and did not provide them with any cash. As mentioned above, we did not manufacture any cigarettes for import to Iran in fiscal 2007.

Similarly, in Syria, we sold cigarettes for the Syrian domestic market to the General Organisation for Trade, which is a state-owned monopoly. Sales of duty free cigarettes were made through a third party distributor based in the Lebanon. We have no knowledge of the parties or arrangements by which Altadis operates in Syria.

In Cuba, we purchase tobacco leaf grown in Cuba from an international tobacco leaf dealer, and do not deal directly with any Cuba entities. In addition, Altadis owns a 50% interest in Habanos, the remaining 50% of which is owned by the Cuban state. However, as discussed above, the acquisition of Altadis remains subject to the satisfaction of certain conditions which are outside of our control.

Closing comments

I trust our responses to your comments are satisfactory. If you require any further explanations or information when considering our responses to your comments please contact Nick Keveth (Group Financial Controller) on 011 44 117 933 7557.

Yours sincerely

Matthew Phillips

Company Secretary

EXHIBIT 4B

Prospectus

Imperial Brands Finance PLC

(Incorporated with limited liability in England and Wales with registered number 03214426)

€15,000,000,000
Debt Issuance Programme
Irrevocably and unconditionally guaranteed by

Imperial Brands PLC

(Incorporated with limited liability in England and Wales with registered number 03236483)

This Prospectus amends, restates and supersedes the prospectus dated 6 December 2016. Any Notes issued after the date hereof under the Debt Issuance Programme described in this Prospectus (the "Programme") are issued subject to the provisions set out herein. This Prospectus will not be effective in respect of any Notes issued under the Programme prior to the date hereof.

Under the Programme, Imperial Brands Finance PLC (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "Notes") guaranteed by Imperial Brands PLC ("Imperial Brands" or the "Guarantor") and Imperial Tobacco Limited ("ITL" or "Imperial Tobacco"). Please see the Trust Deed dated 30 January 2019 (the "Trust Deed") which is available for viewing by Noteholders as described on page 107 for further details about the Imperial Brands guarantee and page 91 for further details regarding the ITL guarantee. The aggregate nominal amount of Notes outstanding will not at any time exceed €15,000,000,000 (or the equivalent in other currencies).

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the "UK Listing Authority") for Notes issued under the Programme for the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "Market"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

Each Series (as defined below) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "temporary Global Note") or a permanent global note in bearer form (each a "permanent Global Note"). Notes in registered form ("Registered Notes") will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Notes and Certificates may (i) if the Global Notes are intended to be issued in New Global Note ("NGN") form or if the Global Certificates are intended to be held under the New Safekeeping Structure (the "NSS"), as specified in the relevant final terms ("Final Terms"), be deposited on the issue date with a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"); and (ii) if the Global Notes are intended to be issued in Classic Global Note ("CGN") form, or if the Global Certificates are not intended to be held under the NSS as specified in the relevant Final Terms, be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes While in Global Form".

Imperial Brands has a solicited long term debt rating of Baa3 by Moody's Investors Service Ltd ("Moody's"), BBB by Standard & Poor's Credit Market Services Europe Limited ("S&P") and BBB by Fitch Ratings Limited ("Fitch"). The Programme has been rated Baa3 by Moody's and BBB by S&P. Moody's, S&P and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation").

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche (as defined below) of Notes is rated, such solicited rating will be disclosed in the Final Terms and will not necessarily be the same as the solicited rating assigned to the Programme by Moody's and S&P. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR or EURIBOR, as specified in the relevant Final Terms. As at the date of this Prospectus, the administrator of LIBOR is included and the administrator of EURIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "Benchmarks Regulation"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Arranger
NatWest Markets

Dealers

Banca IMI
Bank of China
BofA Merrill Lynch
Crédit Agricole CIB
Mizuho Securities
Banco Bilbao Vizcaya Argentaria, S.A.
Barclays
Commerzbank
HSBC
MUFG

NatWest Markets
SMBC Nikko
UniCredit Bank

Santander Corporate & Investment Banking
Société Générale Corporate & Investment Banking

30 January 2019

IMPORTANT INFORMATION

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Guarantor, ITL and the Notes which, according to the particular nature of the Issuer, the Guarantor, ITL and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the Guarantor and ITL, and of the rights attaching to the Notes.

The Issuer, the Guarantor and ITL accept responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the Guarantor and ITL (each of which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents incorporated herein by reference (see "Documents Incorporated by Reference").

Each of the Issuer, the Guarantor and ITL, having made all reasonable enquiries, confirms that this Prospectus contains all information with respect to the Issuer, ITL, the Guarantor and the Guarantor's subsidiaries and affiliates taken as a whole (the "Group" or the "Imperial Group") and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer, ITL, the Guarantor and the Group are in every material aspect true and accurate and not misleading, the opinions and intentions expressed in this Prospectus with regard to the Issuer, ITL, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer, ITL, the Guarantor, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect and all reasonable enquiries have been made by the Issuer, the Guarantor and ITL to ascertain such facts and to verify the accuracy of all such information and statements.

The Notes are irrevocably and unconditionally guaranteed by the Guarantor as described in the Trust Deed and by ITL by way of an amended and restated deed of guarantee dated 30 January 2019. The ITL guarantee will terminate in the circumstances set out in the deed of guarantee and is summarised in the section entitled "Imperial Tobacco Limited".

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such other information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, ITL or any of the Dealers or the Arranger (as defined in "Overview of the Programme"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Guarantor or ITL since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Guarantor or ITL since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore

offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer, the Guarantor, ITL or any of the Dealers or the Arranger to subscribe for, or purchase, any Notes. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, ITL, the Dealers and the Arranger do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, ITL or any of the Dealers or the Arranger which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes.

No representation, warranty or undertaking, express or implied, is made by the Arranger, any Dealer or the Trustee (as defined herein), and to the fullest extent permitted by law, the Arranger, the Dealers and the Trustee disclaim all responsibility or liability which they might otherwise have, as to the accuracy or completeness of the information contained in this Prospectus or any other financial statement or any further information supplied in connection with the Programme, the Issuer, the Guarantor, ITL or the Notes or their distribution. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer, the Guarantor and ITL under the Programme. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, ITL, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer, the Guarantor or ITL during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

The minimum denomination of the Notes shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

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

(i) has sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the relevant Notes and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") and include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the US or to, or for the benefit of, US persons (as defined in Regulation S under the Securities Act). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

PRESENTATION OF INFORMATION AND CERTAIN DEFINITIONS

In this Prospectus, all references to:

- "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- "US dollars", "US $" and "$" refer to US dollars; and
- "sterling" and "£" refer to pounds sterling.

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STABILISATION

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

Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with the following:

(i) the audited non-consolidated annual financial statements of the Issuer for the financial year ended 30 September 2017 and the financial year ended 30 September 2018, respectively, together in each case with the audit report thereon;

(ii) the audited consolidated annual financial statements of the Guarantor for the financial year ended 30 September 2017, together with the audit report thereon;

(iii) the following sections of the Guarantor's annual report and accounts (the "2018 Annual Report") for the financial year ended 30 September 2018:

(A) the paragraph entitled "Oxford Cannabinoid Technologies" on page 8 of the 2018 Annual Report;

(B) the audited consolidated annual financial statements of the Guarantor for the financial year ended 30 September 2018, together with the audit report thereon, on pages 76 to 128 of the 2018 Annual Report; and

(C) the section entitled "Related Undertakings" on pages 134 to 147 of the 2018 Annual Report.

(iv) the audited non-consolidated annual financial statements of ITL for the financial year ended 30 September 2016 and the financial year ended 30 September 2017, respectively, together in each case with the audit report thereon;

(v) the terms and conditions contained in the prospectus dated 6 December 2016 on pages 30 to 58 inclusive;

(vi) the terms and conditions contained in the prospectus dated 21 February 2014 on pages 25 to 53 inclusive;

(vii) the terms and conditions contained in the prospectus dated 16 December 2010 on pages 25 to 47 inclusive;

(viii) the terms and conditions contained in the prospectus dated 28 July 2008 on pages 17 to 22 inclusive; and

(ix) the terms and conditions contained in the prospectus dated 1 July 2003 on pages 8 to 22 inclusive,

which have in each case been previously published or are published simultaneously with this Prospectus and which have been approved by the Financial Conduct Authority or filed with it. Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained without charge from the registered office of the Issuer and are available on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

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

Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

Words and expressions defined in "Terms and Conditions of the Notes" and "Summary of Provisions Relating to the Notes While in Global Form" shall have the same meanings in this Overview.

Issuer:	Imperial Brands Finance PLC
Issuer Legal Entity Identifier (LEI):	2138008L3B3MCG1DFS50
Guarantor:	Imperial Brands PLC In addition to the guarantee provided by Imperial Brands PLC, the Notes are irrevocably and unconditionally guaranteed by way of an amended and restated deed of guarantee dated 30 January 2019 by Imperial Tobacco Limited. Such guarantee will terminate in the circumstances set out in the deed of guarantee and is summarised in the section titled "Imperial Tobacco Limited".
Description:	Debt Issuance Programme.
Size:	Up to €15,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme and/or the Guarantor's or ITL's ability to fulfil its obligations under the relevant guarantee in respect of such Notes. These are set out under "Risk Factors". In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are also set out under "Risk Factors", together with certain risks relating to the structure of a particular issue of Notes and risks relating to Notes generally.
Arranger:	NatWest Markets Plc
Dealers:	Banca IMI S.p.A. Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. Bank of China Limited, London Branch Barclays Bank PLC Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank HSBC Bank plc Merrill Lynch International MUFG Securities EMEA plc Mizuho International plc NatWest Markets Plc SMBC Nikko Capital Markets Limited Société Générale UniCredit Bank AG The Issuer may from time to time terminate the appointment of any

	Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee:	BNY Mellon Corporate Trustee Services Limited
Issuing and Paying Agent:	The Bank of New York Mellon
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Final Terms.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	Notes may be issued in bearer form only ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form only ("Registered Notes"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than 1 year and are being issued in compliance with the D Rules (as defined in "Overview of the Programme – US Selling Restrictions"), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".
Clearing Systems:	Euroclear, Clearstream, Luxembourg and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Guarantor, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).
Initial Delivery of Notes:	On or before the issue date for each Tranche, if the relevant Global Note is a NGN, or the relevant Global Certificate is held under the NSS, the Global Note or the Global Certificate, as applicable, will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note

representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) and as set out in the relevant Final Terms.

Maturities: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with any maturity as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) and as set out in the relevant Final Terms.

Specified Denomination: The minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Fixed Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or

(ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

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

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

Notwithstanding the foregoing, the Terms and Conditions contain provisions pursuant to which amendments may be made to the interest terms in the event that the Reference Rate has ceased to be published as a result of such Reference Rate ceasing to be calculated or administered.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates: The length of the interest periods for the Notes and the applicable

	interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by the then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than 1 year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000, as amended ("FSMA") must have a minimum redemption value of £100,000 (or its equivalent in other currencies).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Holders (as defined below), and if so the terms applicable to such redemption. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".
Make-Whole Redemption by the Issuer:	If specified in the applicable Final Terms, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their Maturity Date (or during such other period as specified in the applicable Final Terms), at the Sterling Make-Whole Redemption Amount or Non-Sterling Make- Whole Redemption Amount (as the case may be). See "Terms and Conditions of the Notes – Redemption, Purchase and Options – Make-Whole Redemption by the Issuer (Issuer Make-Whole Call)" for further information.
Issuer Residual Call:	If specified in the applicable Final Terms, the Issuer will have the option to redeem the Notes in whole, but not in part, at the Residual Call Early Redemption Amount if the aggregate nominal amount of the Notes then Outstanding (as defined in the Trust Deed) is 20 per cent or less of the aggregate nominal amount of the Series issued. See "Terms and Conditions of the Notes – Redemption, Purchase and Options – Issuer Residual Call Option" for further information.
Status of Notes:	The Notes and the guarantee in respect of them will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively, all as described in "Terms and Conditions of the Notes – Status".
Negative Pledge:	See "Terms and Conditions of the Notes – Negative Pledge".
Cross Default:	See "Terms and Conditions of the Notes – Events of Default".
Step Up Ratings Change and Step Down Ratings Change:	If Step Up Ratings Change and Step Down Ratings Change (both as defined below) is specified in the applicable Final Terms, the Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change, as the case may be. See "Terms and Conditions of the Notes – Interest and other Calculations".
Change of Control Investor Put:	See "Terms and Conditions of the Notes – Redemption, Purchase

and Options".

Early Redemption: Except as provided in "Optional Redemption" and "Make-Whole Redemption by the Issuer" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".

Withholding Tax: All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes and the Coupons will be made free and clear of withholding taxes of any Tax Jurisdiction unless the withholding is required by law. In such event, the Issuer or the Guarantor shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Holder of the Notes or Coupons of such amounts as would have been received by it had no such withholding been required, all as described in "Terms and Conditions of the Notes – Taxation".

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law.

Listing: Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange.

Ratings: The Programme has been rated Baa3 by Moody's and BBB by S&P. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such solicited rating will be disclosed in the Final Terms and will not necessarily be the same as the solicited ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the US, the European Economic Area, the United Kingdom, Italy, France, Belgium and Japan. See "Subscription and Sale".

US Selling Restrictions: The Issuer and the Guarantor are Category 2 for the purposes of Regulation S under the Securities Act.

The Notes will be issued in compliance with US Treas. Reg. §1. 163-5(c)(2)(i)(D) (or any successor US Treasury regulation section including, without limitation, regulations issued in accordance with US Internal Revenue Service Notice 2012-20 or otherwise in connection with the US Hiring Incentives to Restore Employment Act of 2010) (the "D Rules") unless (i) the relevant Final Terms states that Notes are issued in compliance with US Treas. Reg. §1. 163-5(c)(2)(i)(C) (or any successor US Treasury regulation section including, without limitation, regulations issued in accordance with US Internal Revenue Service Notice 2012-20 or otherwise in connection with the US Hiring Incentives to Restore Employment Act of 2010) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules, but in circumstances in which the Notes will not constitute "registration required obligations" under the US Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Overview of the Group

The following information should be read in conjunction with the full text of this Prospectus and the information incorporated by reference herein. Investors should read the whole document and the information incorporated by reference herein and not just rely on the overview information, which should be read as an introduction to this Prospectus. Any decision to invest in the Notes should be based on consideration of this Prospectus and the information incorporated by reference herein as a whole.

Overview

Imperial Brands, a FTSE 100 company headquartered in Bristol in the UK, is the parent company of a dynamic international business specialising in tobacco and next generation product ("NGP") brands.

Since the formation of the Imperial Tobacco Company in 1901, dramatic changes have taken place in technology, commerce and society. Throughout these years the company has seen expansion, diversification and rationalisation, mergers, demergers and acquisitions. In late 1985, Hanson Trust (later Hanson PLC) made a successful bid to buy the Imperial Group (as it stood at that time) and the takeover was completed the following April. In October 1996, after ten years with Hanson PLC, Imperial Tobacco Group PLC was listed on the London Stock Exchange as a FTSE 100 company. Between 1997 and 2008 around £17 billion was spent on acquisitions, building the Group's position in profitable overseas markets and transforming it into the world's fourth largest international tobacco manufacturer.

By 2009, the Group had become an established international tobacco company with a track record of creating value for its shareholders. Following a ten-year period of intense industry consolidation, the Group remained one of just four international tobacco companies competing against each other on a global scale. The years since the turn of the decade have been characterised by high levels of illicit trade and increasing tobacco regulation, with smoking in public places ("SIPPs") bans becoming commonplace. In this context, and against the backdrop of one of the worst recessions in history, the Group's strategy was refocused to improve the quality of organic growth and strengthen the sustainability of the business.

In June 2015, following the acquisition by Reynolds American Inc. ("Reynolds") of Lorillard, Inc. ("Lorillard"), Imperial Brands' subsidiary, ITG Brands LLC ("ITG Brands") completed the acquisition (the "2015 US acquisition") of four US cigarette brands (Winston, Maverick, Kool and Salem) and the international rights to the e-vapour brand blu (now owned by Fontem Ventures B.V. ("Fontem")), and associated assets. The cigarette brands were acquired without historic product liabilities. The deal transformed the Group's presence in the US market, significantly enhancing its portfolio, market share and distribution coverage.

Imperial Tobacco Group PLC was renamed Imperial Brands PLC in February 2016. The change in name was made to reflect the breadth of the Group's brands focus across five distinct entities:

- ITL's tobacco subsidiaries
- ITG Brands
- Tabacalera S.A. ("Tabacalera")
- Fontem
- Compañia de Distribución Integral Logista Holdings, S.A. ("Logista").

ITL's tobacco subsidiaries manufacture and market the majority of the Group's tobacco portfolio outside the US. This portfolio offers a comprehensive range of cigarettes, fine cut and smokeless tobaccos, papers and cigars, and the brands are available in over 160 markets worldwide.

ITG Brands is the Group's dynamic business in the US and commenced operations in 2015 to combine the former Commonwealth-Altadis operations with brands and assets acquired from Reynolds and Lorillard. ITG Brands is the third largest tobacco company in the US, which is the most profitable tobacco market in the world excluding China and a key Growth Market for Imperial Brands. The business is headquartered in

Greensboro, North Carolina and offers a broad portfolio of well-known cigarette and mass market cigar brands.

Tabacalera is the Group's international premium cigar business, headquartered in Madrid, Spain. Its operations are split into three main areas. The international marketing of Cuban hand-made cigars is carried out through Corporacion Habanos S.A. ("Habanos"), in which the Group has a 50 per cent stake. Tabacalera USA oversees the premium cigar businesses in the US, which is the world's largest premium cigar market. Other sales of cigar products, including in the important Spanish and French markets, are managed separately.

In addition to Habanos, the Group has 50 per cent stakes in each of Altabana S.L. ("Altabana"), Promotora de Cigarros, S.L. and Internacional Cubana de Tabaco, S.A. (together with Habanos, the "Cuban Joint Ventures").

Fontem and Fontem US, Inc. are innovative consumer goods companies with a portfolio that includes the e-vapour brand, blu. They are the Group's subsidiaries focused on developing new opportunities for sustainable revenue growth, including through NGP, such as the e-vapour brand blu.

The Group owns a majority shareholding (50.01 per cent) in Logista. This major logistics business in southern Europe is made up of two divisions: (i) tobacco logistics, which involves the transportation of tobacco products primarily in Italy, Spain, Portugal, France and Poland, and (ii) other logistics, which provides transport services for various industries including publishing and pharmaceuticals.

A full list of subsidiaries, partnerships, associates, and joint ventures is included within the 2018 Annual Report.

The Group's business is cash generative and for the financial year ending 30 September 2018, Imperial Brands' tobacco and NGP net revenue, distribution fees, Group reported operating profit and Group adjusted operating profit were £7,730 million, £989 million, £2,407 million and £3,766 million, respectively.

Risk Factors

The Issuer, the Guarantor and ITL believe that the following factors may affect their ability to fulfil their respective obligations under Notes issued under the Programme or the relevant guarantee, as applicable.

There is a wide range of factors which individually, or together with other factors, could result in the Issuer, the Guarantor and ITL becoming unable to make all payments due in respect of the Notes and the relevant guarantee. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer, the Guarantor and ITL may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events and/or actions within or outside the Issuer, the Guarantor or ITL's control. However, the Issuer, the Guarantor and ITL have identified in this Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes and the relevant guarantee, and they consider that the risks identified below include all the material risks of an investment in the Notes as at the date of this Prospectus.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views, seeking their own professional advice as and where they deem it necessary, prior to making any investment decision.

As is common with most large, multi-national organisations the Group is subject to general commercial risks; for example, those specifically described below as well as deterioration in labour or union relations and any related disputes, failure to attract and/or retain key personnel and failure to ensure the health and safety of its people.

FACTORS THAT MAY AFFECT THE ISSUER'S, THE GUARANTOR'S OR ITL'S ABILITY TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME AND THE RELEVANT GUARANTEE

Set out below is a non-exhaustive list of risk factors of which investors in the Notes should be aware. Not all of these factors are within the Group's control. There may be other risks and uncertainties which are unknown to the Issuer, the Guarantor or ITL at the date of this Prospectus or which may not be material now, but could be material in the future.

Risks relating to the Issuer

The Issuer is a financing vehicle and is reliant on the business of the Group

The Issuer is a financing vehicle with no business operations of its own, other than raising financing, advancing funds to, receiving funds from, and providing treasury services for, the Guarantor and other members of the Group. Accordingly, the Issuer has no trading assets and does not generate trading income. Interest payments in respect of the Notes will effectively be paid from cash flows generated from the business of the Group and accordingly the ability of the Issuer to pay interest on and repay the Notes will be subject to all the risks to which the Group is subject. See "Risks relating to the Group" below.

Risks relating to the Group

Tobacco Maximisation and NGP – performance of the Group's assets

The Group operates in highly competitive consumer markets subject to pressures on price and volumes

A majority of the Group's revenues and profits is currently achieved through sales of its products in its priority markets. Changes in the economies of these markets and other markets in which the Group operates impacting consumption, or significant increases in competitive activity and any failure to react appropriately to these risks could lead to increased commercial and pricing pressures on the Group's brands, and have an unfavourable impact on the Group's growth strategy.

Additionally, as with all fast-moving consumer goods, continued customer loyalty to the Group's products and brands can be influenced by ongoing changes in consumer preferences and so any failure to monitor and manage changes in consumer trends within markets could result in a reduction in the attractiveness of the Group's products.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group is required to manage a variety of outcomes resulting from NGP growth

The Group continues to invest heavily in its NGP strategy, including the development of new nicotine and smokeless delivery options, many of which could offer reduced harm to current tobacco smokers.

NGP products, including e-vapour and heated tobacco, are evolving rapidly.

Should the Group fail to identify innovation opportunities or respond to developments in NGP in a timely manner, or fail to execute its strategy as effectively as its competitors with relevant products, then the Group may not be able to compensate for the impact on demand and pricing for its NGP and/or tobacco products. Where the Group is able, it responds to these developments but the Group may still be exposed to factors that limit the success of NGP products including, but not limited to, the ability to utilise third party intellectual property at all or in a cost-effective manner, government regulation, increases in duty and pricing of competing products.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

Increases in product specific taxes and other payment obligations are expected to continue, impacting sales volumes, or the mix of products sold in favour of value brands

The Group is one of the world's leading manufacturers of tobacco products by volume and, as such, any unfavourable excise duty treatment of tobacco products, or of any of the Group's other products (such as NGP), if widely adopted, could impact the Group's sales volumes. In many of the markets in which the Group operates, excise duty represents a substantial percentage of the retail price of tobacco products, and has been steadily increasing in recent years. Increasing levels of excise duty, particularly substantial one-off increases, have encouraged consumers in affected markets to switch to lower price products or purchase from the illicit market.

In the US, the Master Settlement Agreement ("MSA") is an agreement between tobacco manufacturers (including members of the Group) and 52 US states and territories, which imposes substantial payment obligations on those manufacturers and has led states to enact statutes that forbid manufacturers from selling products in those states unless they are "certified" (approved) by the state. In addition, substantial payment obligations are imposed on certain tobacco manufacturers (including members of the Group) under statutes enacted by states that are not parties to the MSA ("Equity Fee Statutes") or under other agreements with the states of Florida, Minnesota, Mississippi and Texas ("State Settlement Agreements"). As described in "US litigation environment and State Settlement Agreements" below, ITG Brands has agreed to make settlement payments under the MSA and the Mississippi State Settlement Agreement, and payments are made as to its products under the Equity Fee Statutes in Minnesota and Texas. Florida and Minnesota have brought suits, and Texas has threatened a suit, claiming, among other things, that ITG Brands owes settlement payments under the relevant State Settlement Agreements, with ITG Brands prevailing on the first decision to issue from the trial court in Florida. Reynolds has also claimed in a suit in Delaware that ITG Brands breached the Asset Purchase Agreement under which ITG Brands bought certain cigarette brands from Reynolds by not joining settlements with Florida, Minnesota, and Texas, and that ITG Brands must indemnify Reynolds if Reynolds is required to make settlement payments on those brands.

The existence, nature, calculation and extent of payment and other obligations (or the result of any litigation in respect of the same) for the brands sold under the MSA, the Equity Fee Statutes and the other State Settlement Agreements cannot be predicted with certainty.

For further information on the MSA and State Settlement Agreements, see "US litigation environment and State Settlement Agreements" below.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group may be adversely affected by increases in illicit trade, reducing the size of the legitimate tobacco and NGP markets

Illegal cross-border trade, in the form of counterfeit products, locally manufactured products on which applicable taxes are evaded, and smuggled genuine products, is a significant and, in some cases, growing threat to the legitimate tobacco industry and could also impact NGP.

Although the Group has implemented procedures to detect illegal trading of its products, these measures may not adequately protect the Group against increases in illicit trade. Within such an environment, there is also a risk that criminal and civil sanctions, negative publicity and allegations of complicity in illegal cross-border trading and money laundering activities may be made against members of the Group, other tobacco companies, their directors, executive officers, employees, agents and/or distributors.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL, in addition to damaging brand equity and undermining supply chain distribution investments.

Increased product regulation may have an adverse effect on the demand for the Group's products and/or increase compliance costs

In addition to the general regulatory factors set out below, the Group may also be impacted by further specific regulatory actions in more specific industry sectors.

The manufacture, advertising, sale and consumption of tobacco products have been subject to regulation from governments, influenced by health officials and anti-smoking groups, principally due to their conclusion that cigarette smoking and tobacco products are harmful to health. The Group often has little opportunity to offer an opinion on the likely consequences of regulatory change.

This has resulted in substantial restrictions on the manufacture, development, testing, content, sale, distribution, packaging, labelling, display, marketing, advertising, product design and consumption of tobacco products, including limitations on where tobacco products can be purchased, used or smoked. These restrictions have been introduced by regulation supplemented by voluntary agreements. Examples of such regulation include the revised EU Tobacco Products Directive ("EUTPD") and the World Health Organisation's ("WHO") Framework Convention on Tobacco Control ("FCTC"). These regulations have introduced a requirement for tobacco manufacturers to "track and trace" product movements, increasing cost and complexity in the supply chain.

In the US, the tobacco environment is regulated at both the federal level (by the Food and Drug Administration (the "FDA") and Federal Trade Commission (the "FTC")) and state level and there is therefore a risk that either federal or state regulation or both may become materially more intrusive or adverse. Any future increases in the regulation of the tobacco industry in the US or elsewhere could therefore result in a substantial decline in the demand for tobacco products. Current or future restrictions or bans relating to, amongst other things, product flavouring (e.g. in November 2018, the FDA proposed a ban on menthol in combustible tobacco products) or to product packaging or nicotine level, may require manufacturers to review and adapt their product portfolio. For further discussion of US regulation, please see the "Regulation in the US" section below.

The states which are parties to the MSA have passed statutes requiring tobacco cigarette brands to be "certified" (approved for sale) by each state before they can be sold in that state. Decisions made by any state not to certify or to de-list brands or to take enforcement action (e.g. seizures or penalties) related to certification issues may have an adverse effect on the Group's business.

NGP products (including e-vapour products) are regulated either under dedicated legislation or existing frameworks. The degree and severity of the restrictions vary. They may also be subject to further extensive regulation in many of the markets in which the Group operates and, in particular, by the FDA in the US and under the EUTPD in the EU. It is not possible to predict the scope of all future regulation of NGP proposed or implemented by regulatory authorities or the impact of any such regulations but current proposals include

restrictions on flavourings and product specification, use and purchase. Furthermore, increased regulation, including the need for pre-market approvals by the FDA, may limit the Guarantor's ability to communicate with consumers, may restrict its ability to participate in the public discussion surrounding its products and may limit its ability to launch new products or make changes to, or continue to sell, current products. There can be no certainty as to the timing or completion of such approvals. For further discussion of regulation of NGP, please see the "Regulation of NGP such as e-vapour and heated tobacco products" section below.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL and could contribute to an increase in the illicit trade in the Group's products.

The Group may be exposed to potential risks arising from the UK decision to exit the European Union and increasingly protectionist trade policies around the world

There are a number of uncertainties in connection with both the future of the UK's relationship with the European Union ("EU"), and the increasingly protectionist trade policies emerging across the world.

The negotiation of the terms of the UK's exit from the EU ("Brexit") is still ongoing and may continue for some time. The Group has concluded that Brexit does not in itself create new risks to the Group, but rather impacts on an individual basis upon a number of current risks (including, but not limited to, foreign exchange rate ("FX") exposure, changes in excise duty status, increase in illicit trade and the wider implications on the stability of the EU). Until Brexit negotiations have concluded, it will not be possible to determine the nature and extent of Brexit's impact on these risks and on the Notes.

Increasing protectionist trade policy between nations creates the risk of additional cost and complexity within the Group's supply chain, and places potential risks upon the security of supply.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group may not fully be able to protect or retain its intellectual property rights or utilise intellectual property of other parties in the development of new products

The Group relies on trademarks, patents, registered designs, copyrights and trade secrets. The Group attempts to protect its intellectual property rights, in the UK, the EU, the US and elsewhere, through a combination of trademarks, patents, registered designs, copyrights and trade secret laws, as well as confidentiality agreements. However, the Group may fail to obtain or maintain adequate protection of such intellectual property rights.

In the development of new products, notably NGP, the Group may wish to use technology already subject to patent, registered design or other intellectual property rights held by others. However, the Group may fail to obtain rights to access the intellectual property of other parties.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group has exposure to key customers and distributors

Group companies have a number of key customers and distributors that may be under contractual arrangements, which may have relatively short durations and termination periods. The loss of any of these key customers, or their inability to pay material amounts owed, may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

Supply chain

The availability of the Group's products to consumers could be affected by supply chain failures

Continuity of supply of the Group's products relies upon the effective management of its manufacturing supply chain, which includes, but is not limited to: manufacturing facilities owned and managed by the Group; contract manufacturing suppliers; raw material suppliers; logistics and warehouse suppliers; and third-party systems providers.

Material failure in the Group's manufacturing or supply chain processes could result in a short-term reduction in supply to markets. Loss of a key supplier as a result of, amongst other things, financial failure, failure to manage supplier relationships effectively or the decision of a third party not to supply the Group could impact supply chain planning. Although production contingency planning is in operation in the event of loss of production capacity due to any localised or country specific issue, such contingency plans could be affected by a number of factors, including product regulation, notably FDA regulation, the requirements of the EUTPD and the requirements of the WHO's FCTC, as well as other product track and trace requirements. Any material failure in the Group's product supply could result in lost sales, and a potential longer-term loss of consumer loyalty.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group's products could be affected by failures in quality control and/or contamination

The Group's products may become contaminated or may otherwise fail to comply with the Group's quality standards, for example, as a result of an accident during the manufacturing process or deliberately with malicious intent. In these instances, significant costs may be incurred in recalling products from the market. In addition, consumers may lose confidence in the affected brand(s), resulting in a loss of sales volume which may take a long time to recover or may not recover fully or at all. During this time, the Group's competitors may substantially increase their market share, which would subsequently be difficult and costly to regain. The Group may also be subject to claims in respect of such contamination.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group is exposed to price fluctuations, inflation, and supply risks in relation to tobacco leaf and other commodities and materials

As with other agricultural commodities, the price of tobacco leaf tends to be cyclical, as supply and demand considerations (including production costs and demand for other agricultural commodities such as foods or bio-energy crops) influence tobacco plantings in those countries where tobacco is grown. Different regions may experience variations in weather patterns that may affect crop quality or supply and so lead to changes in price. In addition, political situations may result in a significantly reduced tobacco crop in any affected country.

Furthermore, increases in tariffs (such as the recent tariff increases imposed by the US, China and the EU) for importing or exporting raw materials or commodities used by the Group to manufacture its products has had, and may continue to have, an adverse impact on the cost and/or availability of the Group's products. Increasing protectionist trade policy between nations creates the risk of additional cost and complexity within the Group's supply chain, and places potential risks upon the security of supply. Changes in regulation in relation to nicotine levels and similar product composition requirements could also impact the supply and cost of tobacco leaf.

The Group is dependent on managing macro financial risks, including fluctuations and/or inflation in the price and/or availability of tobacco leaf, commodity prices and the price of other materials, including those used in the manufacture of NGP products.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

New ways of working – simplification of the Group operating model and realisation of cost efficiencies

The Group may fail to deliver its strategic change initiatives

In order to support its strategic objectives the Group may be required to undertake material initiatives, such as change, cost optimisation, and acquisition or disposal initiatives. Suitable opportunities to pursue such initiatives may be limited and, in the case of acquisitions and disposals, it may be difficult to complete such transactions given anti-trust or other challenges/laws. Where transactions are completed there can be no assurance that the Group will be able to identify all actual or potential liabilities of a business prior to its

acquisition. Any proposed acquisitions or disposals would require the attention of management, and might divert management focus and other resources away from implementation of the Group's strategy. In addition, the Group may fail to integrate and manage acquired businesses, to balance the Group's portfolio of business effectively or to effect disposals in a timely and effective manner.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

Responsible behaviour – risks that impact the continued delivery of a strong governance and sustainability agenda

The Group is a global business and faces the inherent risks of a diverse footprint

The Group's business in developing markets may present more challenging operating environments where margins in general may be lower and in which commercial practices may be less developed and of a lower standard than those in more mature markets.

The results and prospects for the Group's operations in these countries will be dependent, in part, on the political stability, economic activity, regulatory requirements, policies and judicial systems of those countries. Some of the countries in which the Group operates face the risk of civil unrest, regime changes, nationalisation, terrorism, conflict and threat of war, as well as fraud and corruption, both externally and internally. Economic, political, legal, regulatory or other developments or uncertainties in developing markets could disrupt the Group's supply chain, compliance with applicable regulations, its distribution capabilities or its cash flows. These developments could also lead to loss of property or equipment that are critical to the Group's business in certain markets.

As a result of its activities in developing markets, the Group currently is, and may in the future be, a party to litigation in these markets. The outcome of legal proceedings in these jurisdictions may be particularly uncertain, as legal, administrative and judicial systems or judiciaries in some developing markets can be unpredictable.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group may be adversely affected by changes in taxation legislation (or interpretation of past and/or present legislation by taxation authorities)

The Group may be adversely affected by legislation relating to taxation, future changes to legislation, and the outcome of claims and challenges by taxation authorities, whether as a result of tax audits or otherwise, in the jurisdictions in which the Group operates.

Provisions arising from uncertain tax positions included in the consolidated financial statements of the Group for the financial year ended 30 September 2018 were £202 million. It is possible that the amounts paid in the future could be materially different from the amounts provided for in the consolidated financial statements of the Group.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group conducts business in countries subject to international sanctions

Some of the countries in which the Group does business or with whom it has or will have commercial dealings are subject to international sanctions including Cuba and Russia.

The Group seeks to comply fully with international sanctions to the extent they are applicable to the Group. However, in doing so, it may be restricted in supplying products sourced from certain countries to relevant jurisdictions, by the nationality of the personnel that it involves in these activities or in its sources of funding. In particular, the Cuban Joint Ventures (including their affiliates) could be materially limited by the operation of sanctions administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), the US Cuban Assets Control Regulations and by the US Cuban Liberty and Democratic Solidarity (Libertad) Act 1996 (commonly known as the Helms-Burton Act). Two non-controlled joint

ventures that are affiliates of the Cuban Joint Ventures are the target of US sanctions. The operations of the Cuban Joint Ventures are conducted in accordance with applicable regulations and their activities are financially ring-fenced from the activities of the rest of the Group. The revenue from the Cuban Joint Ventures amounted to less than 3 per cent of the Group's total revenue for the financial year ended 30 September 2018. New sanctions or changes in existing sanctions could further restrict or entirely prevent the Group from doing business in, or from having commercial dealings with, certain jurisdictions, including Cuba.

The Group may suffer from adverse public reaction or from reputational harm as a result of doing business in, or having commercial dealings through third parties with, countries that are subject to international sanctions, notwithstanding that the Group's activities comply with applicable international sanctions and regardless of the materiality of the Group's operations in such countries to its operations or financial condition. The Group's activities in the countries subject to international sanctions could also restrict the sources of funding and financial (or other) products or services available to the Group. International sanctions may also limit the Group's ability to use existing funds to finance its operations in certain countries.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group may be subject to investigations for alleged abuse of its market position or alleged breaches of other competition laws in certain countries

The Group has significant market positions in certain countries in which it operates. The Group is subject from time to time and may in the future be subject to investigation or litigation for alleged abuse of its market position or alleged breaches of other competition laws, which can result in adverse regulatory action by the relevant authorities, including inspections and monetary fines, along with potential follow-on damages actions and negative publicity. The Group is currently co-operating with relevant competition authorities in relation to ongoing competition law investigations, none of which to date have resulted in findings of infringement. While the Group endeavours to comply with all applicable laws, there can be no definitive assurances that these investigations (or any future investigations to which the Group may be subject) will not result in a fine being levied and/or actions being brought against members of the Group.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group is exposed to risks in relation to data protection

The Group holds, controls and processes a significant volume of personal data and could be adversely affected if any of this data were to be lost, compromised or not handled in accordance with the relevant data protection legislation. The EU General Data Protection Regulation (the "GDPR"), which came into force on 25 May 2018, imposes new obligations on data controllers and data processors and new rights for data subjects (all as defined in the GDPR) which the Group needs to comply with. The GDPR also introduces significantly increased financial penalties (including a fine of up to 4 per cent of annual global turnover) and other sanctions that can be imposed on the Group as the result of any non-compliance with the GDPR.

Although the Group has robust data protection policies and procedures in place, it is primarily reliant upon the robustness of its IT security and the actions of its employees in complying with these policies and procedures to manage the risk.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group may be adversely affected by a material failure in its information technology systems or by a cyber-attack

The Group's business is dependent on efficient, robust information technology ("IT") systems. Any material failure in the IT processes of its operations or any material cyber-attack could impact its ability to operate and its reputation. Failure to invest in and deploy appropriate IT systems and infrastructure to support the business and protect confidential information may lead to inefficient business operations, including (but not

limited to) poor supply chain management, and have a negative impact on customer service, resulting in a loss of customers.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group may be adversely affected by any failure of its employees to follow the Group's internal policies and procedures

The Group requires its employees to comply with its internal policies and procedures and local legal requirements. However, the risk exists that employees fail to comply with such policies and procedures including, but not limited to, cases of fraudulent or illegal activity by an employee. Any breach of the Group's policies and procedures (deliberate or otherwise) may expose the Group to the risk of, amongst other things, governmental investigation, regulatory action and civil and/or criminal liability.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL. However, notwithstanding anything contained in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Guarantor will be unable to comply with its obligations as a company with securities admitted to the Official List.

The Group could incur substantial damages and costs in connection with litigation

In addition to the matters detailed in the "Litigation" section below, it can be expected that legal actions, proceedings and claims arising out of the sale, distribution, manufacture, use, development, advertising, marketing and claimed health effects of its products, including tobacco products and NGP, will be filed against the Group in the future.

The damages sought in any such claims could be significant, and the Group may not be successful in defending all of the claims that may arise. To the extent that the Group's assessment as to the likely outcome of any claim does not reflect subsequent developments or the eventual outcome of any claim, its future financial statements may be affected. In addition, regardless of the outcome of any litigation, the Group would incur costs (and need to devote management time to) defending any claims which it may not be able to recover fully or at all, irrespective of whether it were successful in defending such claims.

In the US, such claims could be brought in federal, state or local courts, or by way of enforcement actions, and by individuals, by a class or by way of group action by a number of parties (whether in actions in which a class has been certified (or in which plaintiffs (claimants) are seeking class certification) or in which individual cases have been grouped for a consolidated trial), by national, state or local regulatory authorities or other public institutions, by corporations, unions, funds or other incorporated entities, or by political or social organisations (such as Native American tribes). The claims (subject to certain provisions in settlements with states) could relate, inter alia, to personal injury, addiction, death, costs of providing healthcare (including cost recovery actions), costs of court-supervised health monitoring programmes, settlement/fee payments with regard to cigarettes and business, sales or advertising conduct.

Other than as noted below, before 2007 the Group had not sold cigarettes in the US, the jurisdiction with the greatest prevalence of smoking and health-related litigation. However, three subsidiaries, Reemtsma Cigarettenfabriken GmbH, SEITA and Altadis, sold relatively small quantities of cigarettes and/or fine cut tobacco in the US domestic market up to 1999, 2005 and 2004, respectively. In 2007 and 2008, respectively, the Group acquired Commonwealth Brands and Altadis USA, both of which were and are manufacturers and sellers of tobacco products in the US. The cigarette brands acquired pursuant to the 2015 US acquisition were acquired without historic product liabilities and an indemnity in respect of any liabilities relating to the period prior to completion of the deal was provided by Reynolds.

An unfavourable outcome or settlement of any pending or future smoking, NGP and health-related or other litigation (whether involving the Group or other tobacco or NGP companies) may increase the likelihood of new actions, adversely affecting the Group's ability to prevail in similar or related litigation.

Furthermore, there can be no assurance that legal aid such as attorney's fees or other funding will continue to be denied to claimants in smoking, NGP and health-related or other litigation in any jurisdiction in the

future. If future claimants are able to obtain legal aid or funding to finance their litigation against the Group, or such actions are otherwise made easier, this may increase the number of claims and claimants' likelihood of prevailing on such claims.

In addition to smoking and health-related litigation and other judicial matters, the Group is subject to regulatory investigations, claims, lawsuits and other proceedings (including in relation to taxation and settlement/fee payments) in the ordinary course of its business and operations. The results of these proceedings cannot be predicted with certainty and there can be no assurance that these matters will not have an adverse effect on the results of operations in any future period.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

Capital discipline

The Group is exposed to FX and interest rate risk

The Group is exposed to movements in FX due to its overseas subsidiaries, its commercial trading transactions denominated in foreign currencies and foreign currency cash deposits, borrowings and derivatives. For significant acquisitions of overseas companies, the Group endeavours to raise financing in the appropriate currency (or are swapped via derivatives into the appropriate currency) to minimise risk.

The Group is exposed to fluctuations in interest rates on its borrowings and surplus cash balances. The Group is exposed to movements in interest rates which could result in higher cash outflows, reducing the capital available to the Group and therefore impacting its financial condition.

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group has significant borrowings, which may impair operational and financial flexibility

The Group has a significant amount of indebtedness and debt service obligations, which may impair both the Group's operating and financial flexibility. The Group's significant amount of indebtedness (and associated debt service obligations) could potentially cause the Group to dedicate a significant portion of cash flow from operations to debt service obligations, depending on the level of borrowings, prevailing interest rates and FX fluctuations, which may reduce the funds available to the Group for capital expenditure, investment within the Group, acquisitions and other expenditure.

The Group's indebtedness could also limit its ability to borrow additional funds for capital expenditure, acquisitions and other expenditure; limit flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industry in which the Group operates; place the Group at a competitive disadvantage compared to competitors that may be less leveraged than the Group; and increase the Group's vulnerability to both general and industry-specific adverse economic conditions.

If conditions in credit markets are unfavourable and/or one or more of the Group's credit ratings are downgraded or placed on negative credit watch, the marketability and trading value of the Notes may be materially diminished, and the Group may not be able to obtain new sources of financing and/or such new sources of financing, together with the Group's existing financing sources, may be at higher costs and/or include additional financial, operating or other obligations.

The Group may, for a number of reasons, be unable to refinance its debt, when it matures, in the debt capital markets, bank loan markets, ECP market or other financing markets available to the Group at that time. Access to financing in the future may depend on, amongst other things, the future expected performance of the Group, suitable market conditions and the maintenance of suitable long-term and short-term credit ratings. Additionally, there may be an unwillingness of financial (or other) counterparties to transact with, or facilitate transactions with, the tobacco sector (or any other sector(s) in which the Group is currently invested, may invest or have an interest from time to time).

Any of the factors listed above may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group has exposure to external financial counterparties

The Group has financing made available from and, from time to time, places cash deposits with and has entered into derivative and other financial transactions with financial institutions. Access to such funding, repayment of cash deposits and performance under derivative and other financial transactions may be reduced due to the Group's counterparties being unable to honour their commitments in full or in part.

The Group's exposure to these external financial counterparties may have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Guarantor and/or ITL.

The Group may be required to make significant contributions to one or more of its retirement benefit schemes

The Group operates a number of retirement benefit schemes for its employees, including both defined benefit and defined contribution schemes.

The Group's three principal schemes are defined benefit schemes and are operated by ITL in the UK, Reemtsma Cigarettenfabriken GmbH in Germany and ITG Brands in the US. As at 30 September 2018, these schemes represented 64 per cent, 11 per cent and 7 per cent of the Group's total retirement benefit obligations and 41 per cent, 24 per cent and 9 per cent of the current service cost respectively.

The largest of the three defined benefit schemes is the Imperial Tobacco Pension Fund ("ITPF"). The contributions paid to the ITPF are set by the ITPF scheme actuary every three years. The scheme actuary is an external consultant, appointed by the trustees of the ITPF. Principal factors that the scheme actuary may have regard to include, but are not limited to, the covenant offered by the Group, the level of risk in the ITPF, the expected returns on the ITPF's assets, the results of the funding assessment on an ongoing basis and the expected cost of securing benefits if ITPF were to be wound up.

The latest valuation of the ITPF was carried out as at 31 March 2016 when the market value of the invested assets was £3,302 million. Based on the ongoing funding target, the total assets were sufficient to cover 96 per cent of the benefits that had accrued to members for past service, after allowing for expected future pay increases. The total assets were sufficient to cover 90 per cent of the total benefits that had accrued to members for past service and future service benefits for current members. In compliance with the Pensions Act 2004, ITL and the trustees agreed a scheme-specific funding target, a statement of funding principles and a schedule of contributions.

A significant future funding requirement, to any of the Group's retirement benefit schemes, could have an adverse effect on the reputation, revenue, profits, business, financial condition or results of the Group, the Issuer, the Guarantor and/or ITL.

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

Risks related to the structure of a particular issue of Notes

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

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

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so

at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market in, and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

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

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

The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such benchmarks

Interest rates and indices which are deemed to be benchmarks (such as, in the case of Floating Rate Notes, a reference rate) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark. The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks (including LIBOR or EURIBOR): (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

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

Future discontinuance of certain benchmarks (for example, LIBOR or EURIBOR) may adversely affect the value of Floating Rate Notes which reference any such benchmark

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted. In a further speech on 12 July 2018, the FCA emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021.

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes. The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable.

If the circumstances described in the preceding paragraph occur and, in the case of Floating Rate Notes, Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate of interest is to be determined (any such Notes, “Relevant Notes”), such fallback arrangements will include the possibility that:

(a) the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a successor rate or an alternative rate (as applicable) determined by an Independent Adviser; and

(b) such successor rate or alternative rate (as applicable) may be adjusted (if required) by the relevant Independent Adviser in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark,

in any such case, acting in good faith and in a commercially reasonable manner as described more fully in the Terms and Conditions of the Notes.

In addition, the relevant Independent Adviser may also determine (acting in good faith and in a commercially reasonable manner) that other amendments to the Terms and Conditions of the Notes are necessary in order to follow market practice in relation to the relevant successor rate or alternative rate (as applicable) and to ensure the proper operation of the relevant successor rate or alternative rate (as applicable).

No consent of the Noteholders shall be required in connection with effecting any relevant successor rate or alternative rate (as applicable) or any other related adjustments and/or amendments described above.

If the Independent Adviser appointed by the Issuer fails to make the necessary determination, the ultimate fallback of interest for a particular Interest Accrual Period (as defined in the Terms and Conditions of the Notes) may result in the rate of interest for the last preceding Interest Accrual Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the relevant screen page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant

rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should note that, in the case of Relevant Notes, the relevant Independent Adviser will have discretion to adjust the relevant successor rate or alternative rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Risks related to Notes generally

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

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

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

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11 of the Terms and Conditions of the Notes.

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

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

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

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

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield received by Noteholders to be considerably less than anticipated.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer including an Issuer Residual Call Option as described in Condition 6(f), and a Make-Whole Redemption by

the Issuer as described in Condition 6(e). As a consequence, the yields received upon redemption may be lower than expected, and the redemption price of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. In such a case, part of the capital invested by the Noteholder may be lost, so that the Noteholder would not receive the total amount of the capital invested.

In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

The existence of these early redemption options in a particular Series of Notes could limit the market value of such Notes.

In particular, with respect to the Issuer Residual Call Option (Condition 6(f)), there is no obligation on the Issuer to inform investors if and when the aggregate nominal amount of the Notes then Outstanding is 20 per cent or less of the aggregate nominal amount of the Series issued, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Issuer Residual Call Option by the Issuer, the Notes may have been trading significantly above the redemption price, thus potentially resulting in a loss of capital invested.

Potential Conflicts of Interest

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, FX risk, interest rate risk and credit risk:

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

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

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

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

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

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

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

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

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

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

Terms and Conditions of the Notes

The following are the terms and conditions of the Notes that, subject to completion in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the applicable Final Terms, or (ii) these terms and conditions as so completed (subject to simplification by deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be.

The Notes are constituted by a Trust Deed (as amended, restated or supplemented as at the date of issue of the Notes (the "Issue Date"), the "Trust Deed") dated 30 January 2019 between Imperial Brands Finance PLC (the "Issuer"), Imperial Brands PLC (the "Guarantor") and BNY Mellon Corporate Trustee Services Limited (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "Conditions" or the "Terms and Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated 30 January 2019 has been entered into in relation to the Notes between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon (as initial issuing and paying agent) and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar and the transfer agents and the calculation agent for the time being (if any) are referred to below respectively as the "Issuing and Paying Agent", the "Paying Agents" (which expression shall include the Issuing and Paying Agent), the "Registrar", the "Transfer Agents" (which expression shall include the Registrar) and the "Calculation Agent". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at 1 Canada Square, London E14 5AL) and at the Specified Offices (as defined in the Trust Deed) of the Paying Agents and the Transfer Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service.

The Noteholders, the holders ("Couponholders") of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

References herein to the "Notes" shall be references to the Notes of this Series and shall mean, in relation to any bearer Notes represented by a global Note (a "Global Note"), as applicable (i) units of each Specified Denomination in the Specified Currency, (ii) any Global Note and (iii) any definitive Notes issued in exchange for a Global Note.

The expression "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded) to the extent implemented in the relevant Member State of the European Economic Area and includes any relevant implementing measure in the relevant Member State.

1. Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes"), which expression includes Notes that are specified to be Exchangeable Bearer Notes, in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") in each case in the Specified Denomination(s) specified in the applicable Final Terms, provided that the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

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

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2, each Certificate shall represent the entire holding of Registered Notes by the same Holder.

Title to the Bearer Notes, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the Holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), "Holder" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms (not otherwise defined) have the meanings given to them in the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the Specified Office (as defined in the Trust Deed) of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the Specified Office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not so transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different

terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a Holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding of Registered Notes.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(a), 2(b) or 2(c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(g)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the Specified Office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by ordinary uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of the Specified Office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Exchange Free of Charge

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Conditions 6(d) and 6(e), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption by the Issuer may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Guarantee and Status

(a) Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons. The Guarantor's obligations in that respect (the "Guarantee") are contained in the Trust Deed.

(b) Status of Notes and Guarantee

The Notes, and the Coupons relating to them, constitute (subject to Condition 4) unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and rateably without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

4. Negative Pledge

So long as any of the Notes or Coupons remains Outstanding (as defined in the Trust Deed) each of the Issuer and the Guarantor undertakes that it will not, and, in the case of the Guarantor, that it will procure that no Subsidiary (as defined below) will, create or have outstanding any mortgage, charge, pledge, lien or other form of encumbrance or security interest (each a "Security Interest") upon the whole or any part of its undertaking, assets or revenues (including any uncalled capital), present or future, in order to secure any Relevant Debt (as defined below) or to secure any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Notes, the Coupons and the Trust Deed or, as the case may be, the Guarantor's obligations under the Guarantee (A) are secured equally and rateably therewith to the satisfaction of the Trustee or (B) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions:

"Relevant Debt" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities that are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over-the-counter or other securities market.

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

5. Interest and other Calculations

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date in each year up to (and including) the Maturity Date.

Except as provided in the relevant Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.

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

Except where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upward or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either specified in

the applicable Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified in the applicable Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent as if it were acting as Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified in the applicable Final Terms;

(y) the Designated Maturity is a period specified in the applicable Final Terms; and

(z) the relevant Reset Date is the day specified in the applicable Final Terms.

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

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

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of

Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms, subject as provided in Condition 5(b)(iv) below) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) If the Relevant Screen Page is not available or if sub-paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks

(which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

(iv) Reference Rate Replacement

If:

(A) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined; and

(B) notwithstanding the provisions of Condition 5(b)(iii)(B), a Benchmark Event occurs when any Rate of Interest (or component thereof) remains to be determined by reference to the Reference Rate,

then the following provisions shall apply to the relevant Series of Notes:

(i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner):

(x) a Successor Reference Rate; or

(y) if such Independent Adviser determines that there is no Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next Interest Accrual Period (the "IA Determination Cut-off Date") for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Accrual Period and for all other future Interest Accrual Periods (subject to the subsequent operation of this Condition 5(b)(iv) during any other future Interest Accrual Period(s));

(ii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser in accordance with this Condition 5(b)(iv)):

(x) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Accrual Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(b)(iv));

(y) if the relevant Independent Adviser:

(1) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or

methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Accrual Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(b)(iv)); or

(2) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Accrual Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 5(b)(iv)); and

(z) the relevant Independent Adviser (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(1) changes to these Terms and Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to, (aa) the Interest Period(s)/Specified Interest Payment Dates, the Business Day Convention, the Additional Business Centre(s), the Interest Determination Date(s), the Relevant Screen Page and/or Day Count Fraction applicable to the Notes and (bb) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

(2) any other changes which the relevant Independent Adviser determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5(b)(iv)); and

(aa) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to this Condition 5(b)(iv) to the Trustee, each of the Paying Agents, the Calculation Agent, the Noteholders in accordance with Condition 16 and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two directors or authorised signatories of the Issuer:

(I) confirming (x) that a Benchmark Event has occurred, (y) the Successor Reference Rate or, as the case may be, the Alternative Reference Rate and (z) where applicable, any Adjustment Spread, in each case as determined in accordance with the provisions of this Condition 5(b)(iv);

(II) certifying that the consequential amendments are necessary to ensure the proper operation of such Successor Reference Rate, Alternative Reference Rate and/or Adjustment Spread; and

(III) certifying that the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above.

The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Reference Rate or Alternative Reference Rate and the Adjustment Spread (if any) and any such other relevant changes pursuant to this Condition 5(b)(iv) specified in such certificate will (in the absence of manifest error in the determination of the Successor Reference Rate or Alternative Reference Rate and the Adjustment Spread (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents, the Calculation Agent, the Noteholders and the Couponholders.

Subject to receipt by the Trustee of this certificate, the Trustee shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), the Agency Agreement and these Terms and Conditions as the Issuer certifies are required to give effect to this Condition 5(b)(iv) and the Trustee shall not be liable to any party for any consequences thereof.

In connection with such variation in accordance with this Condition 5(b)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) described in this Condition 5(b)(iv) or such other relevant changes pursuant to this Condition 5(b)(iv), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the Agency Agreement (if required).

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 5(b)(iv) prior to the relevant IA Determination Cut-off Date, then the Rate of Interest for the next Interest Accrual Period shall be determined by the Calculation Agent by reference to the fallback provisions set out in Condition 5(b)(iii)(B).

(c) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(e) Adjustment of Rate of Interest for Fixed Rate Notes and Floating Rate Notes

If Step Up Ratings Change and Step Down Ratings Change is specified in the applicable Final Terms, the following provisions relating to the Rate of Interest for the Notes shall apply:

(i) The Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change, as the case may be.

(ii) Subject to paragraphs (iv) and (vii) below, from and including the first Interest Payment Date following the date of a Step Up Rating Change, if any, the Rate of Interest (in the case

of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes shall be increased by the Step Up Margin specified in the applicable Final Terms.

(iii) Furthermore, subject to paragraphs (iv) and (vii) below, in the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date following the date of such Step Down Rating Change, the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) payable on the Notes shall be decreased by the Step Up Margin back to the initial Rate of Interest (in the case of Fixed Rate Notes) or the initial Margin (in the case of Floating Rate Notes).

(iv) If a Step Up Rating Change and, subsequently, a Step Down Rating Change occur during the same Fixed Interest Period (in the case of Fixed Rate Notes) or the same Interest Period (in the case of Floating Rate Notes), the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) on the Notes shall be neither increased nor decreased as a result of either event.

(v) The Issuer shall use all reasonable efforts to maintain credit ratings for its senior unsecured long-term debt from the Rating Agencies. If, notwithstanding such reasonable efforts, either Rating Agency fails to or ceases to assign a credit rating to the Issuer's senior unsecured long-term debt, the Issuer shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a substitute rating agency that shall be a Statistical Rating Agency, and references in this Condition 5(e) to Moody's or S&P, as the case may be, or the credit ratings thereof, shall be to such substitute rating agency or, as the case may be, the equivalent credit ratings thereof.

(vi) The Issuer will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change to be notified to the Trustee and the Issuing and Paying Agent and notice thereof to be published in accordance with Condition 16 as soon as possible after the occurrence of the Step Up Rating Change or the Step Down Rating Change (whichever the case may be) but in no event later than the fifth London Business Day thereafter.

(vii) A Step Up Rating Change (if any) and a Step Down Rating Change (if any), may only occur once each during the term of the Notes.

The Trustee is under no obligation to ascertain whether a change in the rating assigned to the Notes by a Rating Agency or any substitute rating agency has occurred or whether there has been a failure or a ceasing by a Rating Agency or any Statistical Rating Agency to assign a credit rating to the Issuer's senior unsecured long-term debt and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such change to the credit rating assigned to the Notes has occurred or no such failure or ceasing by a Rating Agency or any Statistical Rating Agency has occurred.

If the rating designations employed by any Rating Agency is changed from those which are described in this Condition 5(e), the Issuer and the Guarantor shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of that Rating Agency as are most equivalent to the prior rating designations of that Rating Agency, and this Condition 5(e) shall be construed accordingly.

For the purposes of this Condition 5(e) only:

"Moody's" means Moody's Investors Service Ltd, or its successor;

"Rating Agency" means either Moody's or S&P and "Rating Agencies" means both of them;

"S&P" means Standard & Poor's Credit Market Services Europe Limited, or its successor;

"Statistical Rating Agency" means Fitch Ratings Limited or its successor or such other rating agency as the Trustee may approve, such approval not to be unreasonably withheld or delayed;

"Step Down Rating Change" means the first public announcement after a Step Up Rating Change by either a Rating Agency or both Rating Agencies of an increase in the credit rating of the Issuer's senior unsecured

long-term debt with the result that, following such public announcement(s), both Rating Agencies rate the Issuer's senior unsecured long-term debt as Baa3 or higher (in the case of Moody's) and BBB- or higher (in the case of S&P). For the avoidance of doubt, any further increases in the credit rating of the Issuer's senior unsecured long-term debt above Baa3 in the case of Moody's or above BBB- in the case of S&P shall not constitute a Step Down Rating Change; and

"Step Up Rating Change" means the first public announcement by either a Rating Agency or both Rating Agencies of a decrease in the credit rating of the Issuer's senior unsecured long-term debt to below Baa3 (in the case of Moody's) or to below BBB- (in the case of S&P). For the avoidance of doubt, any further decrease in the credit rating of the Issuer's senior unsecured long-term debt from below Baa3 in the case of Moody's or from below BBB- in the case of S&P shall not constitute a Step Up Rating Change.

(f) Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding

(i) If any Margin is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) Calculations in respect of Floating Rate Notes

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amount payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

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

(h) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Sterling Make-Whole Redemption Amounts, Non-Sterling Make-Whole Redemption Amounts and Residual Call Early Redemption Amounts

The Calculation Agent or the Independent Adviser (as the case may be) shall as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent or the Independent Adviser (as the case may be) may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Sterling Make-Whole Redemption Amount, Non-Sterling Make-Whole Redemption Amount or Residual Call Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Sterling Make-Whole Redemption Amount, Non-Sterling Make-Whole Redemption Amount or Residual Call Early Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination, but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination in accordance with Condition 16. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent or the Independent Adviser (as the case may be) shall (in the absence of manifest error) be final and binding upon all parties.

(i) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Accrual Period in the applicable Final Terms, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period, provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer shall determine, or (at its discretion) shall appoint an agent to determine, such rate at such time and by reference to such sources as it determines appropriate, acting in good faith and in a commercially reasonable manner.

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

(j) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the relevant Independent Adviser determines is

required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

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

(ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

“Alternative Reference Rate” means the rate that the relevant Independent Adviser determines has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Accrual Periods, or, if such Independent Adviser determines that there is no such rate, such other rate as such Independent Adviser determines in its discretion is most comparable to the Reference Rate.

"Benchmark Event" means:

(i) the Reference Rate ceasing to be published or ceasing to exist;

(ii) the later of (A) the making of a public statement by the administrator of the Reference Rate that it will, on or before a specified date, cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate) and (B) the date falling six months prior to the date specified in (ii)(A);

(iii) the making of a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate has been permanently or indefinitely discontinued;

(iv) the later of (A) the making of a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the date specified in (iv)(A)

(v) the making of a public statement by the supervisor of the administrator of the Reference Rate that means the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(vi) it has or will prior to the next Interest Determination Date become unlawful for the Issuer, any party responsible for determining the Rate of Interest or any Paying Agent to calculate any payments due to be made to any Noteholder using the Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

“Business Day” means:

(i) in the case of a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in

foreign exchange and foreign currency deposits) in the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which the TARGET2 System is open (a "TARGET Business Day") and/or

(iii) in the case of a currency and/or one or more Additional Business Centres a day on which commercial banks and foreign exchange markets settle payments in such currency and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "Calculation Period"):

(i) if "Actual/Actual" or "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

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

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

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

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

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

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vi) if "30E/360 (ISDA)" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(vii) if "Actual/Actual-ICMA" is specified in the applicable Final Terms:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days

in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"Determination Date" means the date specified as such in the applicable Final Terms or, if none is so specified, the Interest Payment Date.

"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended (the "Treaty").

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be, specified in the applicable Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

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

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the applicable Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended and updated as at the Issue Date of the first tranche of Notes.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the applicable Final Terms.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

"Reference Rate" means the rate specified as such in the applicable Final Terms.

"Relevant Nominating Body" means, in respect of a reference rate:

(i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or

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

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms.

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

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

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(k) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is Outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Sterling Make-Whole Redemption Amount, Non-Sterling Make-Whole Redemption Amount or Residual Call Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money or swap market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or

any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d), 6(e), 6(f) or 6(g), each Note shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount specified in the applicable Final Terms (which, unless otherwise provided in the applicable Final Terms, is its nominal amount).

(b) Early Redemption

(i) Zero Coupon Notes

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown specified in the applicable Final Terms.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount or, if no such amount is so specified in the applicable Final Terms, at its nominal amount.

(c) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders (which notice shall be irrevocable)

at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee were called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Trade Date, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and a legal opinion of legal advisers of recognised standing to the effect that such circumstances prevail and the Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders, redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at the Optional Redemption Amount specified in the relevant Final Terms (together, if appropriate, with interest accrued to the date fixed for redemption). Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(e) Make-Whole Redemption by the Issuer (Issuer Make-Whole Call)

(a) Sterling Make-Whole Amount

If Sterling Make-Whole Redemption is specified in the applicable Final Terms, the Issuer may, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders, redeem all, or, if so provided, some of the Notes, at any time or from time to time (i) where no particular period during which Sterling Make-Whole Redemption is applicable is specified, prior to their Maturity Date; or (ii) where Sterling Make-Whole Redemption is specified as only being applicable for a certain period, during such period, in each case on the date for redemption specified in such notice (the "Sterling Make-Whole Redemption Date") at the Sterling Make-Whole Redemption Amount.

The Sterling Make-Whole Redemption Amount shall be equal to the higher of (i) 100 per cent of the nominal amount of the Notes to be redeemed and (ii) the nominal amount of the Notes to be redeemed multiplied by the price, as reported to the Issuer and the Trustee by the Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the

middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin (if any), all as determined by the Financial Adviser plus, in each case, any accrued interest on the Notes to, but excluding, the Sterling Make-Whole Redemption Date.

(b) *Non-Sterling Make-Whole Amount*

If Non-Sterling Make-Whole Redemption is specified in the applicable Final Terms, the Issuer may, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders, redeem all, or, if so provided, some of the Notes, at any time or from time to time (i) where no particular period during which Non-Sterling Make-Whole Redemption is applicable is specified, prior to their Maturity Date; or (ii) where Non-Sterling Make-Whole Redemption is specified as only being applicable for a certain period, during such period, in each case on the date for redemption specified in such notice (the "Non-Sterling Make-Whole Redemption Date") at the Non-Sterling Make-Whole Redemption Amount.

The Non-Sterling Make-Whole Redemption Amount shall be an amount calculated by the Calculation Agent equal to the higher of (i) 100 per cent of the nominal amount of the Notes to be redeemed and (ii) the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin (if any) plus, in each case any accrued interest on the Notes to, but excluding, the Non-Sterling Make-Whole Redemption Date.

Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(e).

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

"FA Selected Bond" means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

"Financial Adviser" means an independent financial adviser acting as an expert selected by the Issuer approved in writing by the Trustee;

"Gross Redemption Yield" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 4, Section One: Price/Yield Formulae "Conventional Gilts/Double dated and Updated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may approve;

"Redemption Margin" has the meaning given in the relevant Final Terms;

"Reference Bond" shall be as set out in the applicable Final Terms or shall be the FA Selected Bond;

"Reference Bond Price" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"Reference Bond Rate" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption;

"Reference Date" will be set out in the relevant notice of redemption;

"Reference Government Bond Dealer" means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer; and

"Remaining Term Interest" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer pursuant to this Condition.

(f) *Issuer Residual Call Option*

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the aggregate nominal amount of the Notes then Outstanding is 20 per cent or less of the aggregate nominal amount of the Series issued, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 and not more than 60 days' notice to the Trustee and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable) at the Residual Call Early Redemption Amount together, if appropriate, with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(f).

(g) *Redemption at the Option of Noteholders*

(i) General Investor Put

If General Investor Put is specified as being applicable in the applicable Final Terms, the Issuer shall, at the option of the Holder of any such Note, upon the Holder of such Note giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified in the applicable Final Terms together with interest accrued to the date fixed for redemption.

To exercise such option the Holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its Specified Office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the

Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) Change of Control Investor Put

If Change of Control Investor Put is specified in the applicable Final Terms, the following provisions shall apply to the Notes:

If whilst any of the Notes remain Outstanding there occurs a Restructuring Event and within the Restructuring Period (a) (if at the time that Restructuring Event occurs there are Rated Securities) a Rating Downgrade in respect of that Restructuring Event occurs or (b) (if at the time that Restructuring Event occurs there are no Rated Securities) a Negative Rating Event in respect of that Restructuring Event occurs (that Restructuring Event and, where applicable, Rating Downgrade or Negative Rating Event, as the case may be, occurring within the Restructuring Period together called a "Put Event"), the Holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice under Condition 6(c)) under this Condition 6(g)(ii) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Put) (as defined below) at its Optional Redemption Amount specified in the applicable Final Terms together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Optional Redemption Date (Put). For the avoidance of doubt, any references in these Terms and Conditions to principal shall be deemed to include the purchase price for Notes should the Issuer opt to purchase Notes pursuant to this Condition 6(g)(ii).

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the Holders of at least one-quarter in nominal amount of the Notes then Outstanding or if so directed by an Extraordinary Resolution of the Noteholders, the Trustee shall (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction), give notice (in each case, a "Put Event Notice") to the Noteholders in accordance with Condition 16 specifying the nature of the Put Event and the procedure for exercising the option (as set out in this Condition 6(g)(ii)).

To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 6(g)(ii) the Holder of that Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg or any Alternative Clearing System, deliver such Note, on any business day in the city of the Specified Office of any Paying Agent falling within the period (the "Put Period") of 30 days after a Put Event Notice is given, at the Specified Office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Specified Office of any Paying Agent (a "Put Option Notice") and in which the Holder must specify a bank account to which payment is to be made under this Condition 6(g)(ii). The Note (in the case of Bearer Notes) should be delivered together with all Coupons appertaining thereto maturing after the date (the "Optional Redemption Date (Put)") which is the fourteenth day after the last day of the Put Period failing which an amount will be deducted from the payment to be made by the Issuer on redemption of the Notes corresponding to the aggregate amount payable in respect of such missing Coupons.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg or any Alternative Clearing System, to exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 6(g)(ii) the Holder of the Note must, within the Put Period (a) give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on the Noteholder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and (b) if this Note

is represented by a Global Note, at the same time present, or procure the presentation of, the relevant Global Note to the Issuing and Paying Agent for notation accordingly.

The Paying Agent to which such Note (if applicable) and Put Option Notice are delivered or the Issuing and Paying Agent, as the case may be, will issue to the Holder concerned a non-transferable receipt (a "Put Option Receipt") in respect of the Note so delivered or, in the case of a Global Note or Note in definitive form held through Euroclear or Clearstream, Luxembourg, the notice so received. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date (Put), unless previously redeemed or purchased. Payment in respect of any Note so delivered will be made on the Optional Redemption Date (Put) by transfer to the account specified in the applicable Put Option Notice, in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the Specified Office of any Paying Agent in accordance with the provisions of this Condition 6(g)(ii).

If 95 per cent or more in nominal amount of the Notes then Outstanding immediately prior to the Put Event Notice have been redeemed or purchased pursuant to this Condition 6(g)(ii), the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16, such notice to be given within 30 days after the Optional Redemption Date (Put), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then Outstanding at their Optional Redemption Amount specified in the applicable Final Terms together with interest accrued to but excluding the date of such redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption (which shall not be more than 60 days after the date of the notice). Upon expiry of such notice, the Issuer will redeem or, at the option of the Issuer, purchase (or procure the purchase of) the Notes.

For the purpose of this Condition 6(g)(ii) only:

"Alternative Clearing System" means any additional or alternative clearing system (other than Euroclear and Clearstream, Luxembourg) approved by the Issuer, the Guarantor, the Trustee and the Issuing and Paying Agent;

a "Negative Rating Event" shall be deemed to have occurred if (a) either the Issuer or the Guarantor does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereupon use all reasonable endeavours to obtain, a long-term credit rating of the Notes or any other unsecured and unsubordinated debt of the Issuer ("Rateable Debt") from a Rating Agency or (b) if it does so seek and use such endeavours, it is unable, within the Restructuring Period, as a result of such Restructuring Event to obtain such a credit rating of BBB- or higher (in the case of Standard & Poor's Credit Market Services Europe Limited or its successor ("S&P")), Baa3 or higher (in the case of Moody's Investors Service Ltd or its successor ("Moody's")), (or, in the case of S&P or Moody's, as the case may be, their respective equivalents for the time being), or the equivalent credit rating from any other Rating Agency, provided that a Negative Rating Event shall be deemed not to have occurred in respect of a particular Restructuring Event if the Rating Agency declining to assign a credit rating of at least investment grade (as described above) does not announce or publicly confirm or inform the Trustee in writing at its request that its declining to assign a credit rating of at least investment grade was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time such investment grade rating is declined);

"Potential Restructuring Event Announcement" means any public announcement or statement by the Guarantor, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Restructuring Event where, within 180 days following the date of such announcement or statement, a Restructuring Event occurs;

"Rated Securities" means the Notes so long as they shall have an effective long-term credit rating from any Rating Agency and otherwise any unsecured and unsubordinated debt of the Issuer which has a long-term credit rating from one of the Rating Agencies;

"Rating Agency" means S&P and its successors or Moody's and its successors or any other rating agency of equivalent standing specified by the Issuer from time to time and agreed in writing by the Trustee, such agreement not to be unreasonably withheld or delayed;

"Rating Agencies" means both S&P (and its successors) and Moody's (and its successors) and any other rating agency of equivalent standing specified by the Issuer from time to time and agreed by the Trustee in writing, such agreement not to be unreasonably withheld or delayed;

a "Rating Downgrade" shall be deemed to have occurred in respect of a Restructuring Event if the current credit rating provided by a Rating Agency assigned to the Rated Securities (a) is withdrawn and is not within the Restructuring Period reinstated to, or replaced (by another Rating Agency) by, a credit rating of at least equivalent to that which was current immediately before the occurrence of the Restructuring Event or (b) is reduced from an investment grade rating BBB- (in the case of S&P) or Baa3 (in the case of Moody's) (or their respective equivalents for the time being or the equivalent rating of any other Rating Agency) or higher to a non-investment grade rating BB+ (in the case of S&P) and Ba1 (in the case of Moody's) (or their respective equivalents for the time being or the equivalent rating of any other Rating Agency) or lower and is not raised again to an investment grade rating within the Restructuring Period, provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in, or withdrawal of, a credit rating shall be deemed not to have occurred in respect of a particular Restructuring Event if the Rating Agency making the reduction in, or withdrawal of, a credit rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the applicable Restructuring Event shall have occurred at the time of the Rating Downgrade);

a "Restructuring Event" shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Guarantor) that any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers (as in force on the date of issue)), other than a holding company (as defined in Section 1159 of the Companies Act 2006) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Guarantor, or any person or persons acting on behalf of any such person(s), is/are or become(s) interested (within the meaning of Part 22 of the Companies Act 2006) in (a) more than 50 per cent of the issued or allotted ordinary share capital of the Guarantor or (b) such number of shares in the capital of the Guarantor carrying more than 50 per cent of the voting rights normally exercisable at a general meeting of the Guarantor; and

"Restructuring Period" means the period beginning on the date that is (a) the date of the first public announcement of the Restructuring Event or, if earlier, (b) the date of the earliest Potential Restructuring Event Announcement (if any) and ending 90 days after the occurrence of the Restructuring Event (if any) (or such longer period in which the Rated Securities or Rateable Debt, as the case may be, is or are under consideration (announced publicly within the period ending 90 days after the occurrence of the Restructuring Event) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).

If the rating designations employed by any of the Rating Agencies are changed from those which are described in paragraph (b) of the definition of "Negative Rating Event" or in the definition of "Rating Downgrade" above, the Issuer and the Guarantor shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating

designations of that Rating Agency as are most equivalent to the prior rating designations of that Rating Agency, and this Condition 6(g)(ii) shall be construed accordingly.

(h) Purchases

The Issuer, the Guarantor and any Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantor or any Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

(j) Definitions

In these Conditions "Amortised Face Amount" means the amortised face amount calculated in accordance with Condition 6(b)(i).

7. Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the Specified Office of any Paying Agent outside the US and its possessions by a cheque payable in the relevant currency drawn on, or, at the option of the Holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of payment in euro, at the option of the Holder, by transfer to or cheque drawn on a euro account (or any other account to which euro may be transferred) specified by the Holder.

(b) Registered Notes

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the Specified Office of any of the Transfer Agents or of the Registrar and in the manner provided in sub-paragraph (ii) below.

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a bank and mailed to the Holder (or to the first named of joint Holders) of such Note at its address appearing in the Register. Upon application by the Holder to the Specified Office of the Registrar or any Transfer Agent before the Record Date, and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of such currency.

(c) Payments in the US

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the Specified Office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with Specified Offices outside the US and its possessions with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all

such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by US law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Laws

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

No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Issuing and Paying Agent, the Paying Agents, the Registrar and the Transfer Agents initially appointed by the Issuer and the Guarantor and their respective Specified Offices are listed below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor (and, in certain limited circumstances set out in the Trust Deed, as agents of the Trustee) and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having Specified Offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any Specified Office shall promptly be given to the Noteholders in accordance with Condition 16.

(f) Unmatured Coupons and unexchanged Talons

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes should be surrendered for Payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon(s) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon(s) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the Specified Office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days

If any date for payment in respect of any Note or Coupon is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, in such jurisdictions as shall be specified as "Additional Financial Centres" in the applicable Final Terms and:

(i) in the case of a payment in a currency other than euro where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) in the case of a payment in euro which is a TARGET Business Day.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes and the Coupons, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within a Tax Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or

(b) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, "Relevant Date" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable has not been duly received by the Issuing and Paying Agent on or prior to such due date) the date on which payment in full of the amount outstanding is made (notice to that effect shall have been given to Noteholders and

Couponholders) or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to:

(i) "principal" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Sterling Make-Whole Redemption Amounts, Non-Sterling Make-Whole Redemption Amounts, Residual Call Early Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it;

(ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it; and

(iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

As used in these Conditions, "Tax Jurisdiction" means, in relation to a payment by either the Issuer or the Guarantor, the United Kingdom.

9. Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. Events of Default

If any of the following events ("Events of Default") occurs, the Trustee at its discretion may, and if so requested by Holders of at least one-fifth in nominal amount of the Notes then Outstanding or if so directed by an Extraordinary Resolution shall (subject, in each case, to being indemnified to its satisfaction) give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(i) *Non-Payment of Principal:* default is made for a period of more than 7 days in the payment on the due date of principal in the Specified Currency in respect of any of the Notes; or

(ii) *Non-Payment of Interest:* default is made for a period of more than 14 days in the payment on the due date of interest in the Specified Currency in respect of any of the Notes; or

(iii) *Breach of Other Obligations:* the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee; or

(iv) *Cross-Default:* (A) any other present or future indebtedness of the Issuer or the Guarantor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (C) the Issuer or the Guarantor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that (i) such guarantee or indemnity is not being contested in good faith in accordance with legal advice or (ii) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iv) have occurred equals or exceeds €50,000,000 or its equivalent (as reasonably determined by the Trustee); or

(v) *Enforcement Proceedings:* a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer or the Guarantor or any Principal Subsidiary and is not discharged or stayed within 60 days thereof; or

(vi) *Insolvency:* to the extent permitted by applicable law, any of the Issuer or the Guarantor or any Principal Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of its debts or a moratorium is agreed, declared or comes into effect in respect of or affecting all or substantially all of the debts of the Issuer, the Guarantor or any Principal Subsidiary; or

(vii) *Winding-up:* an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Guarantor or any Principal Subsidiary, or the Issuer or the Guarantor or any Principal Subsidiary shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary (or, as applicable, the relevant part thereof) are transferred to or otherwise vested in the Issuer, Guarantor and/or one or more Subsidiaries and except that neither the Issuer, the Guarantor nor any Principal Subsidiary shall be treated as having threatened to cease or having ceased to carry on all or substantially all of its business or operations by reason of any announcement of any disposal or by reason of any disposal on an arm's length basis; or

(viii) *Ownership of the Issuer:* the Issuer ceases to be directly or indirectly wholly-owned by the Guarantor except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; or

(ix) *Guarantee:* the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect; or

(x) *Deed of Guarantee:* the guarantee provided under a deed dated 30 January 2019 by Imperial Tobacco Limited is not (or is claimed by Imperial Tobacco Limited not to be) in full force or effect prior to its termination in accordance with its terms,

provided that, in relation to paragraphs (v), (vi) and (vii), in respect of any Principal Subsidiary, the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

"Principal Subsidiary" means:

(a) any Subsidiary of the Guarantor which is an active trading company and whose adjusted unconsolidated assets or pre-tax profit equal or exceed 10 per cent of the consolidated assets or adjusted consolidated pre-tax profit of the Group (as defined in the Trust Deed), and for the purposes of the above:

(i) the consolidated assets of the Group shall be ascertained by reference to the latest audited published consolidated accounts of the Group;

(ii) the adjusted consolidated pre-tax profit of the Group shall be the aggregate of:

(A) the consolidated pre-tax profit of the Group ascertained by reference to the latest audited published consolidated accounts of the Group; and

(B) the consolidated pre-tax profit (the pre-acquisition profit) of any Subsidiary which became a member of the Group during the period for which the latest audited published consolidated accounts of the Group were prepared (an acquired Subsidiary) for the part of that period which falls before the effective date of that

acquisition, calculated in accordance with International Financial Reporting Standards and used in the preparation of the latest audited published accounts of the Group;

(iii) the assets of any Subsidiary shall be the assets of that Subsidiary calculated in accordance with International Financial Reporting Standards and used in the preparation of the latest audited published accounts of the Group; and

(iv) the pre-tax profit of any Subsidiary shall be the pre-tax profit of that Subsidiary calculated in accordance with International Financial Reporting Standards and used in the preparation of the latest audited published accounts of the Group plus, in the case of any acquired subsidiary, an amount equal to any pre-acquisition pre-tax profit.

For the purposes of the above, "assets" in respect of the Group or any such Subsidiary means the non-current assets and current assets of the Group or that trading Subsidiary (as the case may be) but excluding investments in any Subsidiary and intra Group balances, and "pre-tax profit" in respect of the Group or any such Subsidiary excludes intra Group interest payable and receivable and intra Group dividends; or

(b) a Subsidiary of the Guarantor to which has been transferred (whether by one transaction or a series of transactions, related or not) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to those transactions was a Principal Subsidiary.

A certificate signed by two directors or authorised signatories of the Guarantor whether or not addressed to the Trustee that, in their opinion, a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Guarantor and the Noteholders, all as further provided in the Trust Deed.

11. Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being Outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being Outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is specified in the applicable Final Terms, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in nominal amount of the Notes for the time being Outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Holders of not less than 75 per cent in nominal amount of the Notes for the time being Outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a

resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable in accordance with Condition 16.

In addition, the Trustee shall be obliged to agree to such modifications to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to Condition 5(b)(iv) in connection with effecting any Successor Reference Rate, Alternative Reference Rate, Adjustment Spread or any other related changes referred to in Condition 5(b)(iv) without the requirement for the consent or sanction of the Noteholders or Couponholders. Any such modification shall be binding on the Noteholders and Couponholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable in accordance with Condition 16.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any subsidiary of the Issuer or its successor in business in place of the Issuer and to the substitution of the Guarantor's successor in business in place of the Guarantor, or of any previous substituted company, as principal debtor or Guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax in consequence of any such exercise upon individual Noteholders or Couponholders.

12. Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes for the time being Outstanding, and (b) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

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

14. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the Specified Office of the Issuing and Paying Agent in London (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

15. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the Holders of securities of other series where the Trustee so decides.

16. Notices

Notices to the Holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the Holders of Bearer Notes shall be valid if published in a daily newspaper having general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes in accordance with this Condition 16.

17. Contracts (Rights of Third Parties) Act 1999

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

18. Governing Law

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

Use of Proceeds

The net proceeds of each issue of Notes by the Issuer will be applied by it for its general corporate purposes (including loans to other subsidiaries of the Guarantor).

Summary of Provisions Relating to the Notes While in Global Form

Initial Issue of Notes

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary").

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

If the Global Notes are stated in the relevant Final Terms to be issued in NGN form or the Global Certificates are held under NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a common safekeeper ("Common Safekeeper"). Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Where the Global Notes issued in respect of any Tranche are in NGN or NSS form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility.

If the Global Note is an NGN the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system ("Alternative Clearing System") as the Holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the Holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the Holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

1. Temporary Global Notes

Subject to the following proviso, each temporary Global Note will be exchangeable, free of charge to the Holder, on or after its Exchange Date:

1.1 if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the Programme – US Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

1.2 otherwise, in whole or in part upon certification as to non-US beneficial ownership in the customary form for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes,

in each case provided that a temporary Global Note representing Notes having denominations consisting of a minimum Specified Denomination and integral multiples of a smaller amount in excess thereof shall be exchangeable for Definitive Notes only in the limited circumstances (each an "Exchange Event") set out in paragraph 2.4 under "Permanent Global Notes" below.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2. Permanent Global Notes

Subject to the following proviso, each permanent Global Note will be exchangeable, free of charge to the Holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of 2.3 below, Registered Notes:

2.1 by the Issuer giving notice to the Noteholders, the Issuing and Paying Agent and the Trustee of its intention to effect such exchange;

2.2 if the relevant Final Terms provide that such Global Note is exchangeable at the request of the Holder, by the Holder giving notice to the Issuing and Paying Agent of its election for such exchange;

2.3 if the permanent Global Note is an Exchangeable Bearer Note, by the Holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and

2.4 otherwise, (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (ii) if principal in respect of any Notes is not paid when due, by the Holder giving notice to the Issuing and Paying Agent of its election for such exchange,

in each case provided that a permanent Global Note representing Notes having denominations consisting of a minimum Specified Denomination and integral multiples of a smaller amount in excess thereof shall be exchangeable for Definitive Notes only upon an Exchange Event.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only.

3. Permanent Global Certificates

If the relevant Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

3.1 if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

3.2 with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.1 or 3.2 above, the Holder has given the Registrar not less than 30 days' notice at its Specified Office of the Holder's intention to effect such transfer.

4. Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes if principal in respect of any Notes is not paid when due.

5. Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange the Holder of a Global Note may, in the case of an exchange in whole, surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be, or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant Clearing System. Global Notes and Definitive Notes will be delivered outside the US and its possessions. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the Holder together with the relevant Definitive Notes.

6. Exchange Date

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the Specified Office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

7. Definitive Notes

If, in respect of any Tranche of Notes, the applicable Final Terms specifies that the Global Note may be exchanged for Definitive Notes in circumstances other than upon the occurrence of an Exchange Event, such Notes will be issued with only one Specified Denomination or all Specified Denominations of such Notes will be an integral multiple of the lowest Specified Denomination, as specified in the applicable Final Terms.

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

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

1. Payments and record date

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the customary form. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its Holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(h) (Non-Business Days).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means a day on which the Clearing Systems are open and settle transactions.

2. Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

3. Meetings

For the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the Holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All Holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4. Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent for

endorsement in the relevant schedule of such permanent Global Note, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

5. Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any Subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

6. Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of the relevant clearing system as either a pool factor or a reduction in nominal amount, at their discretion) or any other alternative clearing system (as the case may be).

7. Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the Holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

8. Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the Holders of the Notes represented by such Global Note or Global Certificate.

9. Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the Holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Holder of the Global Note. Any such notice shall be deemed to have been given to the Holders of the Notes on the business day (which for these purposes shall mean a day on which the relevant clearing systems are open for business) after the day on which the said notice was given to the relevant clearing system.

10. NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems, and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

Imperial Brands Finance PLC

The Issuer was incorporated as a private company with limited liability under the laws of England and Wales on 14 June 1996. It was re-registered on 21 October 1997 as a public company limited by shares within the meaning of the Companies Act 1985 following a special resolution of its members on 20 October 1997 and on 19 February 2016, the company was renamed Imperial Brands Finance PLC from Imperial Tobacco Finance PLC.

Its registered office is at 121 Winterstoke Road, Bristol BS3 2LL, England (telephone number: +44 (0) 117 963 6636). It is registered with the Registrar of Companies in England and Wales with company number 03214426.

The Issuer is an indirect wholly-owned subsidiary of Imperial Brands. As at the date of this Prospectus, it has issued share capital of £2,100,000,000 comprising 2,100,000,000 ordinary shares of £1 each.

The Issuer's principal activity is to provide treasury services to the Group. The Issuer, as the main financing and financial risk management company for the Group, undertakes transactions to manage the Group's financial risks, together with its financing and liquidity requirements. The Issuer has no subsidiaries of its own.

The Directors and Company Secretary of the Issuer as at the date of this Prospectus are as follows:

Name	Title
Oliver R Tant	Director
John M Jones	Director
Thomas R W Tildesley	Director
Marie A Wall	Director
John M Downing	Company Secretary

The business address of the Directors is 121 Winterstoke Road, Bristol BS3 2LL, England.

Two of the current Directors hold external positions outside the Group, as follows: Oliver R Tant is a Director of The Copse House Cider Company Ltd, Landshire Estates Ltd, and Landshire Cider Ltd, an LLP member of Future Fuels No. 1 LLP, Cobalt Data Centre 2 LLP, Green Power Plant LLP, and an LP Member of Invicta Martineau Place LP. Thomas R W Tildesley is a Director of W H Tildesley Investment Holdings Limited and W H Tildesley Investments Limited.

There are no existing or potential conflicts of interest between any duties to the Issuer of the Directors and/or their private interests and other duties.

Imperial Brands PLC

Overview

Imperial Brands, a FTSE 100 company headquartered in Bristol in the UK, is the parent company of a dynamic international business specialising in tobacco and NGP brands.

Since the formation of the Imperial Tobacco Company in 1901, dramatic changes have taken place in technology, commerce and society. Throughout these years the company has seen expansion, diversification and rationalisation, mergers, demergers and acquisitions. In late 1985, Hanson Trust (later Hanson PLC) made a successful bid to buy the Imperial Group (as it stood at that time) and the takeover was completed the following April. In October 1996, after ten years with Hanson PLC, Imperial Tobacco Group PLC was listed on the London Stock Exchange as a FTSE 100 company. Between 1997 and 2008 around £17 billion was spent on acquisitions, building the Group's position in profitable overseas markets and transforming it into the world's fourth largest international tobacco manufacturer.

By 2009, the Group had become an established international tobacco company with a track record of creating value for its shareholders. Following a ten-year period of intense industry consolidation, the Group remained one of just four international tobacco companies competing against each other on a global scale. The years since the turn of the decade have been characterised by high levels of illicit trade and increasing tobacco regulation, with SIPPs bans becoming commonplace. In this context, and against the backdrop of one of the worst recessions in history, the Group's strategy was refocused to improve the quality of organic growth and strengthen the sustainability of the business.

In June 2015, following the acquisition by Reynolds of Lorillard, Imperial Brands' subsidiary, ITG Brands completed the 2015 US acquisition. The cigarette brands were acquired without historic product liabilities. The deal transformed the Group's presence in the US market, significantly enhancing its portfolio, market share and distribution coverage.

Imperial Tobacco Group PLC was renamed Imperial Brands PLC in February 2016. The change in name was made to reflect the breadth of the company's brands focus across its five distinct entities:

- ITL's tobacco subsidiaries
- ITG Brands
- Tabacalera
- Fontem
- Logista

ITL's tobacco subsidiaries manufacture and market the majority of the Group's tobacco portfolio outside the US. This portfolio offers a comprehensive range of cigarettes, fine cut and smokeless tobaccos, papers and cigars, and the brands are available in over 160 markets worldwide.

ITG Brands is the Group's dynamic business in the US, formed in 2015 to combine the former Commonwealth-Altadis operations with brands and assets acquired from Reynolds and Lorillard. ITG Brands is the third largest tobacco company in the US, which is the most profitable tobacco market in the world excluding China and a key Growth Market for Imperial Brands. The business is headquartered in Greensboro, North Carolina and offers a broad portfolio of well-known cigarette and mass market cigar brands.

Tabacalera is the Group's international premium cigar business, headquartered in Madrid, Spain. Its operations are split into three main areas. The international marketing of Cuban hand-made cigars is carried out through Habanos. Tabacalera USA oversees the premium cigar businesses in the US, which is the world's largest premium cigar market. Other sales of cigar products, including in the important Spanish and French markets, are managed separately.

In addition to Habanos, the Group has 50 per cent stakes in each of the Cuban Joint Ventures.

Fontem and Fontem US, Inc. are innovative consumer goods companies with a portfolio that includes the e-vapour brand, blu. They are the Group's subsidiaries focused on developing new opportunities for sustainable revenue growth, including through NGP, such as the e-vapour brand blu.

The Group owns a majority shareholding (50.01 per cent) in Logista. This major logistics business in southern Europe is made up of two divisions: (i) tobacco logistics, which involves the transportation of tobacco products primarily in Italy, Spain, Portugal, France and Poland, and (ii) other logistics, which provides transport services for various industries including publishing and pharmaceuticals.

A full list of subsidiaries, partnerships, associates, and joint ventures is included within the 2018 Annual Report.

The Group's business is cash generative and for the financial year ending 30 September 2018, Imperial Brands' tobacco and NGP net revenue, distribution fees, Group reported operating profit and Group adjusted operating profit were £7,730 million, £989 million, £2,407 million and £3,766 million, respectively.

Strategic Objectives

The Group has a diversified geographic profile and multi-product and multi-brand portfolio.

The Group's strategy aims to maximise sales, cost and cash opportunities to generate sustainable returns for the Group's shareholders.

There are four key priorities that the Group focusses on to achieve this:

- Strengthening its brand portfolio by building the contribution of brands with the strongest equity (its Growth and Specialist Brands), supported by new launches from Fontem;
- Developing its geographic footprint with a strategic focus on share and profit performance in its Returns Markets and Growth Markets and a clear strategy for growth in the US Market;
- Managing its cost base to improve efficiencies; and
- Embedding stronger capital discipline to manage working capital more effectively and achieve high cash conversion.

During 2016, the Board and senior leadership team spent time reviewing the Group's strategy. This review highlighted opportunities to drive further quality revenue growth. As a result, in the 2017 financial year, the Group increased investment in its Growth and Specialist Brands, which has delivered some improved market shares and volumes in its key brands and priority markets.

The Group has also increased investment in NGP, as it starts significantly to increase its presence in the e-vapour market, with new product and market launches under the blu brand.

In May 2018, the Group announced it was progressing opportunities for divestments, initially targeting proceeds of up to £2 billion over the next 12 to 24 months. Such divestments are intended to simplify the Group's business, enhance performance and release capital to pay down debt, deliver returns to the Group's shareholders and, where appropriate, invest in the Group's growth agenda.

Products and services

Tobacco, Non-Tobacco and NGP

The Group holds a tobacco portfolio that offers consumers comprehensive brand choice with a range of cigarette, fine cut tobacco, paper, cigar and smokeless tobacco brands.

In addition, through Fontem, the Group is also developing a portfolio of NGP. The Group owns key technology and some of the base intellectual property in this sector. The Group's ambition is for NGP (including e-vapour products) to become a material part of future revenue and profit growth. In 2018, the Group expanded the blu franchise to a number of markets with three new launches of myblu, myblu Intense and blu ACE.

Heated tobacco is an NGP category that has proved popular in certain Asian markets such as Japan, where nicotine-based e-vapour products are not currently permitted. While the Group is continuing to prioritise its investment in e-vapour, it has also developed its own heated tobacco products, which are scheduled for launch in 2019.

The Group's portfolio is divided into three categories: Growth Brands, Specialist Brands and Portfolio Brands. The Group places particular emphasis on driving the performance of Growth Brands and Specialist Brands as part of enhancing the quality of its revenue and sustainability of earnings.

Growth Brands

The Group's Growth Brands (as at 30 September 2018) were *Davidoff*, *Gauloises Blondes*, *West*, *JPS*, *Fine*, *News*, *Winston*, *Bastos*, *Lambert & Butler* and *Parker & Simpson*, which constituted approximately 64 per cent of the Group's volumes and 49 per cent of the Group's overall tobacco and NGP net revenue in the financial year ended 30 September 2018. This compares to 60 per cent of Group volumes and 48 per cent of net revenue achieved in 2017. Stick equivalent volumes of the key Growth Brands increased by 2.1 per cent in the financial year ended 30 September 2018.

Specialist Brands

The Group's Specialist Brands (as at 30 September 2018) were *blu* (e-vapour), *Jadé*, *Gitanes, Kool* (cigarettes), *Golden Virginia*, *Drum*, *Backwoods* (cigars), *Skruf* (snus) and *Rizla* (papers). Imperial Brands also has a number of leading international cigar brands including *Cohiba*, *Romeo y Julieta* and *Montecristo* which are owned as part of Habanos. Specialist Brands constituted just over 18 per cent of overall tobacco and NGP net revenue for the financial year ended 30 September 2018.

Portfolio Brands

The Group also holds a number of Portfolio Brands, a legacy of its long acquisition history. Many are single market offerings with limited brand equity. The Group is executing a brand migration programme to transition consumers from some of these brands into Growth Brands, with a number already complete and underway. Further migrations are planned as the Group continues to focus on simplifying its portfolio and building momentum behind its Growth Brands.

Migrations are carefully planned and implemented gradually, usually over a six to twelve month period. Brand migrations are intended to support the global development of Growth Brands and reduce the complexity of the Group's business.

Tobacco Market Segments

Historically, Imperial Brands has divided its tobacco business by segment, into Returns Markets, Growth Markets and the US Market. Returns Markets are typically mature markets where the Group already has a relatively large market share (greater than 15 per cent) and the priority is sustainable profit performance, while actively managing market share positions. Growth Markets are mainly large profit or volume pools where the Group's market share tends to be below 15 per cent and where the priority is to drive long-term share and profit growth. The US Market formed its own division operated by ITG Brands. The four tobacco segments presented in the Group's consolidated financial statements incorporated by reference in this Prospectus are split as follows:

- Returns Markets North – which includes Australia, Belgium, Germany, the Netherlands, Poland, and the United Kingdom amongst others;
- Returns Markets South – which includes France, Spain, Morocco and a number of the Group's African markets;
- Growth Markets – which includes selected markets in the EU, Eastern Europe, Asia and the Middle East as well as the Group's Premium Cigar Division and Fontem Ventures business; and
- US Market, a standalone Growth Market.

However, since 1 October 2018 the Group has reorganised the management of its business on a geographic basis to reflect the growth opportunities NGP offers across its footprint. Accordingly, for the financial year ending 30 September 2019, Imperial Brands' financial reporting will be split across four areas: Europe; Americas and Africa; Asia and Australasia; and Distribution.

Logistics

The Group also has a 50.01 per cent stake in Logista, a leading distribution and logistics company serving markets in Spain, France, Italy, Portugal and Poland.

Logista distributes tobacco products for domestic and international tobacco companies, including ITL, to tobacconists and other sales outlets in Spain, France, Italy, Portugal and Poland. The logistics division is run as an independent business, providing individual consumer solutions and access to around 300,000 points-of-sale.

The business also provides distribution and specialised services for customers in a number of different sectors including pharmaceuticals, publishing and lottery. It is also a leading distributor of products to the convenience channel, covering outlets which include tobacconists, petrol stations, and grocery stores.

Logista operates in the transportation segment, through courier and industrial parcel activities in Spain and Portugal. Its long-distance transport network across Europe allows the business to provide integrated services for its customers which provides coverage from their factories to the point-of-sale.

Manufacturing

The Group seeks to share technology and expertise across its 38 factories around the world in order to reduce manufacturing costs and increase efficiency. It focuses on high-quality, low-cost manufacturing and has an ongoing drive to improve productivity across the business. It aims to ensure that its manufacturing base is structured effectively, to ensure a fast response to changing market dynamics and consumer requirements. In the last few years, the Group has closed a number of cigarette, fine cut tobacco and cigar factories as part of an ongoing review of its manufacturing footprint in order to maximise efficiencies.

The Group’s main materials are tobacco leaf, paper, acetate tow (for the production of cigarette filter tips), printed packaging materials and other materials used in the manufacture of NGP products, which are purchased from a number of suppliers. The Group’s policy is not to be reliant, where practical, on any one supplier, and it has not suffered any significant production losses as a result of an interruption in the supply of raw materials. Where there are only a few major suppliers of a main material, the failure of any one supplier could potentially have an impact on the Group’s business. However, the Group believes the risk of such an occurrence is low.

With regard to tobacco leaf, the Group seeks to reduce its exposure to individual markets by sourcing tobacco leaf from a number of different countries, including Brazil, China, India, Spain, Tanzania and Malawi. Different regions may experience variations in weather patterns that may affect crop quality or supply and so lead to changes in price. Political instability may significantly affect tobacco crops. The Group seeks to offset these risks by purchasing tobacco crops from numerous areas of the world.

Sales and distribution

With a number of countries being subject to the EU Directive 2003/33/EC and with many countries adopting the FCTC, tobacco advertising and sponsorship has been banned or restricted in a large number of markets. As conventional means of communication between manufacturers and consumers such as advertising and promotion are progressively withdrawn, effectiveness at the point of sale becomes increasingly important. The Group seeks to ensure the wide availability of its product ranges at competitive prices, by optimising the points of sale at which its products are offered and constantly monitoring retail outlets for availability and price competitiveness. The Group has continued to invest in sales communications technology and analysis tools across the Group, and it believes the information provided not only gives it a competitive advantage, but also supports regular, frequent contact with retailers.

The manner in which the Group distributes its products varies by country. In some countries, particularly in Western Europe, the Group distributes its products itself (including through the logistics channels of

Logista). In other countries, particularly in emerging markets, the Group distributes under agreements with third parties.

Directors and Senior Management

The Directors, Company Secretary and senior management of Imperial Brands as at the date of this Prospectus are as follows:

Board of Directors	Title	Other Directorships outside the Group
Mark D Williamson	Chairman and Non-Executive Director	Chairman of Spectris plc and Senior Independent Non-Executive Director and Chairman of the Audit Committee of National Grid plc
Alison J Cooper	Chief Executive Officer and Director	None
Oliver R Tant[(1)]	Chief Financial Officer and Director	Director of The Copse House Cider Company Ltd, Landshire Estates Ltd, and Landshire Cider Ltd, an LLP member of Future Fuels No.1 LLP, Cobalt Data Centre 2 LLP, and Green Power Plant LLP and an LP Member of Invicta Martineau Place LP.
Matthew R Phillips	Chief Development Officer and Director	None
Susan M Clark	Non-Executive Director	Member of the Supervisory Board and Remuneration Committee of Akzo Nobel N.V., Non-Executive Director and Chair of the Remuneration Committee at Britvic plc, a Non-Executive Director and member of the Remuneration and Audit Committees of Bakkavor Group plc and a Non-Executive Director of Tulchan Communications LLP and Heriot-Watt Business School
Simon A C Langelier	Non-Executive Director	Chairman of PharmaCielo Limited, Director of Lentisco Consulting SL and Ambassador of Lancaster University
Karen Witts	Non-Executive Director	Chief Financial Officer and Executive Director of Kingfisher plc and Chief Financial Officer of Compass Group PLC (with effect from 4 April 2019)
Malcolm I Wyman	Senior Independent Non-Executive Director	Senior Independent Non-Executive Director and former Chairman of Nedbank Group Limited and Non- Executive Director of Sturrock and Robson International B.V.
Steven P Stanbrook	Non-Executive Director	Director of Autism Speaks, Partner of Wind Point Partners, Director of The Vollrath Company, LLC and Non-Executive Director of Cott Corporation

Therese M Esperdy	Non-Executive Director	Non-Executive Director and Chairman of the Finance Committee of National Grid plc, Board of Trustees, Brooklyn Academy of Music (BAM), General Partner, Bulldog Innovation Group LLC
John M Downing[2]	Company Secretary	None

(1) Also a board member of ITL and the Issuer
(2) Also a board member of ITL

Senior management	Title
Joerg Biebernick	Division Director, Europe
Dominic J Brisby	Division Director, Americas, Africa, Asia and Australasia
Richard C Hill	Group Commercial Director, Vapour
David T Newns	Group Innovation Director
Walter Prinz	Group Manufacturing and Supply Chain Director
Amal Pramanik	Group Strategy Director

The business address of each of the Directors and senior management is 121 Winterstoke Road, Bristol BS3 2LL, England.

There are no existing or potential conflicts of interest between any duties to Imperial Brands of the Directors and senior management and/or their respective private interests and other duties, except as disclosed above and in the footnotes to the tables under the headings "Imperial Brands Finance PLC" and "Imperial Tobacco Limited".

Board Practices

The Board remains committed to maintaining high standards of corporate governance, which it sees as a cornerstone in managing the business affairs of the Group and a fundamental part of discharging its stewardship responsibilities. Accordingly, for the financial years up to and including the year ended 30 September 2018, the Group has complied with the governance rules and best practice provisions applying to UK listed companies as contained in section 1 of the UK Corporate Governance Code (the "Code") which was updated in 2016 replacing The Combined Code on Corporate Governance first introduced in 1992.

The Board

The Board is the principal decision-making forum of the Group and manages overall control of the Group's affairs. Key to this control is the schedule of matters which are reserved for consideration by the Board and on which any final decision must be made by the Board. These include, *inter alia*, approving commercial strategy, corporate plans, major corporate activities, financial statements, payment of dividends and appointment and removal of directors and the Company Secretary.

Corporate accountability and governance are also managed through the following committees of the Board:

Remuneration Committee: The Remuneration Committee's terms of reference are published on the Group's website, www.imperialbrandsplc.com. The Remuneration Committee sets the remuneration package for each Executive Director and the Group's most senior executives after taking advice principally from external sources, including remuneration consultants FIT Remuneration Consultants LLP and Towers Watson, both of whom are engaged by the Committee as required.

Successions and Nominations Committee: The Successions and Nominations Committee's terms of reference are published on the Group website, www.imperialbrandsplc.com. The responsibilities of the

Successions and Nominations Committee include the evaluation of the balance of skills, knowledge and experience on the Board, the development of role specifications, the formulation of succession plans and the making of recommendations to the Board with regard to the appointment of Directors.

Audit Committee: The Audit Committee's terms of reference cover the matters recommended by the Code and are published on the Group website, www.imperialbrandsplc.com. For the year ended 30 September 2018, the Audit Committee's responsibilities included, *inter alia*, reviewing the Group's financial results throughout the financial year, including periodic announcements to the market, considering significant and complex accounting transactions and reviewing the processes to ensure the Group has adequate procedures in place to control bribery and corruption risks and evaluating the Board's going concern review.

Operating Executive: The Operating Executive is responsible for assisting the Chief Executive in developing and implementing the Group's strategy and the day-to-day management of the Group.

Major Shareholders

So far as Imperial Brands is aware, no person or persons, directly or indirectly, jointly or severally exercise or could exercise control over Imperial Brands.

Regulatory Landscape

A variety of regulatory initiatives affecting the tobacco and NGP industries have been proposed, introduced or enacted in recent years, including: the levying of substantial and increasing excise duties; restrictions or bans on advertising, marketing and sponsorship; the display of larger health warnings, graphic health warnings and other labelling requirements on tobacco product packaging; restrictions on packaging design, including the use of colours in plain or standardised packaging regulations; restrictions on pack content, including minimum quantity per pack; restrictions or bans on the display of tobacco product packaging at the point of sale and restrictions or bans on cigarette vending machines; restrictions on the type of retail outlets that are permitted to sell tobacco products; requirements regarding testing, verification and maximum limits for tar, nicotine, and carbon monoxide; requirements regarding ingredients and emissions reporting, evaluation and possible bans of certain tobacco product ingredients, including menthol; requirements that products and changes to products are approved by regulatory authorities prior to sale; requirements that cigarettes meet safety standards for ignition propensity; increased restrictions on smoking in public and work places and, in some instances, in private places and outdoors; implementation of measures restricting certain descriptive terms; and requirements for the tracking and tracing of tobacco products.

The Group continues to manage these challenges and seeks to engage with governments and other regulatory bodies to find reasonable, proportionate and evidence-based solutions to changing regulations.

WHO's Framework Convention on Tobacco Control

The WHO's FCTC is an all-encompassing instrument for regulating tobacco products on a global level. It has been ratified by 181 countries to date. The original treaty is being supplemented by protocols and guidelines, some of which are currently under development. While the guidelines are not legally binding, they provide a framework of recommendations for parties of the FCTC. These guidelines influence the regulatory landscape the Group operates in.

The guideline on advertising, for instance, seeks to broaden the definition of tobacco advertising to include product display and vending, as well as the pack itself. The guideline on packaging and labelling further introduces the idea of "innovative health warnings", i.e. health warnings printed on the actual cigarette. The parties have also adopted a protocol in relation to anti-illicit trade. The protocol has now received the required number of ratifications and came into force on 26 September 2018. It places legal obligations on all parties to the protocol including a track and trace regime and a licensing regime for the manufacture, import and export of tobacco products and machinery.

Other areas include the suggestion to introduce plain packaging, the rejection of any industry partnership and the regulation of electronic nicotine and non-nicotine devices.

All parties to the FCTC meet at the Conference of the Parties, a set of periodic meetings to discuss the framework. The last such meeting was held in Geneva in October 2018.

Future areas of work to be progressed into guidelines include further product regulation and the provision of support for economically viable alternatives to tobacco growing.

Almost all of the WHO FCTC provisions entail extra costs for the tobacco industry in one way or another. A change in the number and size of on-pack health warnings which is subject to regular rotation, for instance, requires new printing cylinders to be commissioned, while the implementation of new plant protection product standards, product testing and the submission of ingredients information to national governments require extensive resources, time and material.

EU Tobacco Products Directive (2001/37/EC)

The EUTPD was adopted in May 2001 for introduction into EU member states' laws by September 2002, to set maximum tar, nicotine and carbon monoxide yields, introduce larger health warnings and ban descriptors such as "light" and "mild".

A review of the original EUTPD commenced in 2010 and the revised EUTPD entered into force on 20 May 2014. Provisions include: increased pictorial health warnings to 65 per cent of the front and backs of packs; restrictions on pack shape and size, including minimum pack sizes of 20 sticks for cigarettes and 30g for roll-your- own/make-your-own tobacco; increased ingredients reporting; a ban on characterising flavours (unless the products fall under the derogation which *de facto* allows menthol cigarettes on the market until 20 May 2020); "tracking and tracing" requirements (from 20 May 2019 for cigarettes and fine cut tobacco and 2024 for all other tobacco products); and for e-vapour products, nicotine limits, pre-market notification, ingredients reporting and advertising bans.

EU Tobacco Excise Directive (2011/64/EU)

In the European Union, excise duties for tobacco products are regulated principally through the EU Tobacco Excise Directive (2011/64/EU) ("EUTED"). EUTED defines the product categories, structure and minimum rates for excise duties on manufactured tobacco. The excise duty on cigarettes must consist of two components: a specific component (i.e. a fixed amount per 1,000 cigarettes) and an ad valorem component (i.e. a percentage of the retail selling price). These two components must be the same for cigarettes of all price categories. Minimum rates are set out in the EUTED, which Member States must respect, although they are free to go above these minima in the taxes they apply. For tobacco other than cigarettes, Member States can choose between a specific duty or an ad valorem duty, or may apply a mixture of the two. Minimum rates are set out for three different categories of tobacco products, other than cigarettes, in the EUTED. Member States are free to apply national rates above these minima.

Article 19 of the EUTED requires the European Commission to submit, every four years, a report to the European Council and, where appropriate, a proposal for amending the EUTED. The European Commission has confirmed that it will not alter the EUTED in 2018-19. However, the European Commission almost simultaneously announced it would start the preparations for the next review of the EUTED, which are expected to last at least until the beginning of 2020.

EU Directive on Single Use Plastics (SUP)

The EU has agreed legislation aimed at reducing single-use plastics. Although the final text is not yet available, the Group understands that an extended producers' responsibility scheme has been agreed (although exact details remain unknown). The Directive is expected to enter into force in April 2019 with two years for Member States to transpose the provisions into national legislations. E-vapour components are out of scope of this legislation; however, plastic components of tobacco product packaging are included.

Plain and standardised packaging

The FCTC recommends the introduction of plain packaging through its guidelines on advertising, promotion and sponsorship and on packaging and labelling. In the European Union, a review of plain packaging was initially proposed as part of the EUTPD revision but was rejected by most EU Member States early on in the process. However, the UK, France, Ireland, Norway, Slovenia and Hungary have all adopted standardised packaging on a national level.

In the UK, the industry mounted a legal challenge against this legislation in the High Court which upheld the legislation in May 2016. The ruling has subsequently been unsuccessfully appealed by some of the claimants.

The Australian government's tobacco plain packaging legislation took effect in December 2012. A challenge brought by Imperial Tobacco Australia Limited and other manufacturers in 2011 was unsuccessful. In June 2018, the World Trade Organisation ("WTO") issued a decision in a dispute brought in 2013 by a number of tobacco and cigar producing WTO member states concerned about the restrictions on trademarks, geographical indications and other requirements imposed by the Australia. The WTO found that the parties failed to demonstrate that Australia's plain packaging measures are inconsistent with WTO rules. In New Zealand, relevant legislation came into effect in March 2018.

Product display bans at point of sale

Product display restrictions at point of sale have been in place in a number of countries beginning in 2001 and have been implemented both at national and state levels. These include Norway, Iceland, Finland, New Zealand, Thailand, Canada, Australia, Russia and several other countries.

Ireland was the first European Union member state to introduce a point-of-sale display ban effective July 2009. Since then England, Wales and Scotland and Northern Ireland have all banned the display of tobacco products at the point of sale.

Product display bans affect the consumer purchasing process and competition between tobacco manufacturers and retailers. Retailers may reduce the number of stock keeping units that they are likely to stock, which in turn may make it necessary for tobacco products manufacturing companies to review and adapt their product portfolio in certain markets.

Pictorial health warnings

Pictorial health warnings have also been mandated in all 28 EU Member States through the revised EUTPD from 20 May 2016 (or such date as stipulated in delayed national transpositions).

There is a general trend towards the introduction of pictorial health warnings on tobacco products and further countries including Canada, Brazil, Australia, New Zealand, Thailand and Singapore have already implemented them.

Some EU Member States have extended the requirement of pictorial health warnings to additional product categories such as cigars.

Smoking in public places

The majority of countries in which the Group operates have enacted restrictions on smoking in public places, although the degree and severity of these restrictions vary. Comprehensive smoking bans in hospitality venues are in place in many markets including in Ireland, the United Kingdom, Norway, New Zealand and Australia, as well as within Canada and the US.

In the EU, smoking in public places and workplaces is regulated at a Member State level.

As tobacco regulation increases in speed, scale, scope and sophistication, some countries are also seeking to regulate public smoking in non-workplace environments such as outdoor dining areas, parks, beaches, balconies and cars carrying children. Some US and Australian states and Canadian provinces have already passed legislation to this end and others are likely to follow at some point in the near to mid-term future. In the UK, England, Wales, Scotland and Northern Ireland banned smoking in cars carrying anyone aged below 18.

Experience in many markets has shown that following the introduction of public place smoking restrictions there is usually an initial decline in consumption, the rate of which diminishes over time.

Regulation of other flavoured tobacco products

Some countries are now seeking to restrict or ban the use of certain flavours in cigarettes, arguing that such products disproportionally appeal to minors and act as a catalyst for young people taking up smoking. In the US, the Family Smoking Prevention and Tobacco Control Act of 2009 ("FSPTC Act") bans characterising flavours other than tobacco and menthol. The FSPTC Act flavour ban is currently only applicable to cigarettes, roll-your-own (including pipes and papers) and the Deeming Rule (as defined below) does not include a flavour ban. In November 2018, the FDA made public statements regarding its possible future regulation of menthol in combustible tobacco products, and has recently announced plans to move forward with a rulemaking process to develop a product standard banning menthol. In addition, local government authorities in cities such as New York City and Boston have taken up the flavouring ban issue. In Canada, the manufacture and sale of cigarettes, little cigars and blunt wraps with characterising flavours are banned. The majority of Australian states have also banned flavours in cigarettes that give an "overtly" fruit-flavoured taste and the government is currently considering further regulatory options. The issue may also be extended to cigars at some point in the future. The revised EUTPD also bans the use of characterising flavours from May 2016 with a 4-year derogation for products with a characterising flavour whose EU wide sales volume represents 3 per cent or more in a particular product category until May 2020.

A ban on flavoured cigarettes would require manufacturers to review and adapt their product portfolio in order to offer consumers an alternative when flavoured cigarettes are no longer available.

Regulation of NGP such as e-vapour and heated tobacco products

On 8 May 2016 the FDA published a Final Rule deeming all remaining tobacco products (including cigars and e-vapour products) subject to the regulatory authority of the FDA (the "Deeming Rule"). The Deeming Rule, became effective on 8 August 2016. As part of the regulatory environment, newly deemed products are subject to, among other things, minimum age restrictions, health warning requirements and a requirement to register product and ingredient information with the FDA. In addition, all newly deemed products introduced into commerce after 15 February 2007 must obtain FDA pre-market approval. Since most e-vapour products were introduced into commerce after that date, the result is that virtually all e-vapour products need to be submitted to the FDA for review. However, products on the market as of the effective date of the Deeming Rule are allowed to remain in the market for a continued period provided the manufacturer files a premarket submission within the prescribed time limit. The Deeming Rule impacts new product introductions due to the pre-market review process. The FDA has also announced new enforcement actions and a Youth Tobacco Prevention Plan to stop youth use of, and access to, e-vapour products in the US. In addition to its public statement regarding menthol (see "Regulation of other flavoured tobacco products" above), the FDA also announced plans to pursue further regulatory initiatives on flavoured e-vapour products, with the aim that only tobacco, mint and menthol e-vapour products could be sold in traditional retail outlets. Under the proposals, other flavoured e-vapour products would only be sold at age-restricted locations or through online channels that use age verification checks.

In the EU, e-vapour products with a nicotine content of up to 20 mg/ml will be regulated in accordance with Article 20 of the revised EUTPD, which requires, among other things, on-pack health warnings, pre-market notification, and annual submission by manufacturers of a comprehensive data set to Member State authorities (please see section above entitled "Regulatory Landscape" for more detail about the EUTPD). Article 20 also prohibits cross-border sponsorship or sponsorship of national events that have a cross-border effect, and bans the advertising of nicotine-containing e-vapour products in print media, on television, radio and the internet. Nicotine-free e-vapour products are subject to the General Product Safety Directive 2001/95/EC of 3 December 2001, but such e-vapour products may be regulated more strictly by Member States.

In 2014, Italy became the first country to introduce an excise category for e-vapour products but more recently reduced the rate from 50 to 10 per cent of the factory-made cigarette equivalent. Excise on e-vapour products varies across the markets, though the majority of countries levy no rates whatsoever (including, for example, France, Germany, Spain and the Netherlands).

Outside of the EU and the US, e-vapour regulation varies, ranging from little or no regulation to a complete ban (for example, in Australia, Japan, Taiwan and the United Arab Emirates) of selling nicotine-containing

e-vapour products outside of pharmaceutical regulations. Comprehensive regulation of e-vapour products, such as in the EU and the US, could increase in future.

Regulation and excise of heated tobacco products also varies across jurisdictions, with some countries treating the product under tobacco legislative frameworks (such as Portugal and Norway), whilst in other countries the product is relatively unregulated (such as in Russia).

Regulation in the US

The FSPTC Act of 2009 granted the FDA regulatory authority over all tobacco products with immediate effect over cigarettes, roll your own and smokeless products.

Key elements of the FSPTC Act regulate the annual registration of tobacco companies, product testing and the submission of ingredient information; require FDA approval for all new products or product modifications; ban all characterising artificial or natural flavours other than tobacco or menthol in cigarettes; establish 'user fees' to fund FDA regulation of tobacco products; provide for the increase in health warning sizes on cigarette packs with the option to introduce pictorial health warnings; provide for implementation of good manufacturing practices; revise the labelling and advertising requirements for smokeless tobacco products; require the investigation of menthol (for further discussion relative to menthol products, please see the section above, "The Group may be adversely affected by regulation of menthol in cigarettes" and the section below, "Menthol Regulation in the US"); and allow the FDA to issue regulations deeming other tobacco products to be subject to the FSPTC Act.

In 2009 the FSPTC Act granted the FDA authority to regulate all tobacco products with immediate effect on cigarettes and smokeless tobacco products. One of the provisions of the FSPTC Act required all US cigarette manufacturers to file "Substantial Equivalence" reports on products in the market place as of 22 March 2011, which were either introduced or changed since 15 February 2007. The FDA refers to these reports, filed as of March 2011, as "provisional" Substantial Equivalence reports. Along with other companies, Reynolds indicated that it complied with the FDA's requirements by filing provisional Substantial Equivalence reports regarding the brands acquired by the Group in 2015. The FDA has only approved a very small number of the provisional Substantial Equivalence reports which were filed, including those for Reynolds. It is anticipated that these reports will be approved, and Reynolds has transferred these reports to ITG Brands, and will cooperate with ITG Brands in obtaining FDA approval. Lorillard filed provisional Substantial Equivalence reports on or before the 22 March 2011 deadline as required by the FSPTC Act. On 14 July 2016, the FDA issued a Not Substantially Equivalent notice regarding the provisional Substantial Equivalence report filed for Maverick Menthol Silver Box 100s. ITG Brands decided not to challenge the FDA's position regarding this particular menthol variant and has taken all necessary steps to remove this product from the market. It is anticipated that the remaining provisional reports will be approved. In 2018, the FDA issued Not Substantially Equivalent notices on six variants of Montclair, one Rave, two Salems and one Kool product. The FDA agreed to suspend any action on these products while ITG Brands pursued an administrative appeal of the findings.

On 8 May 2016 the FDA published the Deeming Rule. The Deeming Rule, which became effective on 8 August 2016, was broadly in line with the Draft Regulation FDA published on 25 April 2014. As part of the new regulatory environment, newly deemed products will be subject to, among other things, minimum age restrictions, health warning requirements and a requirement to register product and ingredient information with the FDA. In addition, all newly deemed products introduced into commerce after 15 February 2007 must obtain FDA pre-market approval. Because most e-vapour products were introduced into commerce after that date, the result will be that virtually all e-vapour products will need to be submitted to the FDA for review. However, products on the market as of the effective date of the Deeming Rule will be allowed to remain in the market for a continued period provided the manufacturer timely files a premarket submission. The Deeming Rule is expected to impact new product introductions due to the pre-market review process (for further discussion relative to e-vapour products, please see the section above, "Regulation of e-vapour products" in respect of potential FDA regulation).

In July 2017, the FDA announced a multi-year plan to lower nicotine levels in combustible cigarettes to 'non-addictive' levels. At the same time, the FDA noted that it is committed to encouraging innovations that have the potential to make a public health difference, stating that nicotine is both the problem and the solution to the question of addiction. In March 2018, the FDA announced three advance notices of proposed

rulemaking (ANPRMs), regarding the regulation of premium cigars, the regulation of flavours in tobacco products (including menthol), and a potential standard for nicotine level in cigarettes. The FDA then solicited and accepted public comments on these various matters for review and consideration in the potential development of a rule or rules. In November 2018 the FDA's Commissioner issued a press release indicating that the FDA intended to undertake action on flavoured e-vapour products and flavoured combustible tobacco products. This action would include commencing a rulemaking on a product standard that would ban menthol in combustible tobacco products. The timeline for commencing this rulemaking and whether the FDA will issue any such rule remains unclear. The FDA has also stated it intends to seek to limit distribution of flavoured e-cigarette products in certain retail channels, but the basis for this statement is not clear.

The FTC also administers certain reporting, advertising, and other obligations regarding tobacco sales. In August 2018, a consumer petition was filed with the FTC asking it to act on alleged violations regarding social media use by several manufacturers, including Imperial Brands. The allegations related to Imperial Brands occurred in Australia, Egypt, Bosnia, and the UAE. No action has been taken on the petition as of the date of this Prospectus.

Menthol Regulation in the US

The FSPTC Act of 2009 required the FDA to establish the Tobacco Products Scientific Advisory Committee (the "TPSAC") to evaluate, among other things, "the impact of the use of menthol in cigarettes on the public health, including such use among children, African-Americans, Hispanics, and other racial and ethnic minorities". In addition, the FSPTC Act permits the FDA to impose restrictions regarding the use of menthol in cigarettes, including a ban, if those restrictions would be appropriate for the public health. The findings of the TPSAC report, which is not binding on the FDA, included that menthol likely increases experimentation and regular smoking, menthol likely increases the likelihood and degree of addiction for youth smokers, non-white menthol smokers (particularly African-Americans) are less likely to quit smoking and are less responsive to certain cessation medications, and that consumers continue to believe that smoking menthol cigarettes is less harmful than smoking non-menthol cigarettes as a result of the cigarette industry's historical marketing. TPSAC's overall recommendation to the FDA was that "removal of menthol cigarettes from the marketplace would benefit public health in the US".

On 27 June 2011, the FDA provided a progress report on its review of the science related to menthol cigarettes. In this report the FDA stated that "experts within the FDA Center for Tobacco Products are conducting an independent review of the science related to the impact of menthol in cigarettes on public health…". The FDA stated that it would submit its draft independent review of menthol science to an external peer review panel in July 2011. On 26 January 2012, the FDA provided a second progress report on its review of the science related to menthol cigarettes. In this update, the FDA stated that "FDA submitted its report to external scientists for peer review, and the agency is revising its report based on their feedback".

On 24 July 2013, the FDA made available its preliminary scientific evaluation ("PSE") of public health issues related to the use of menthol in cigarettes and peer review comments thereto. Although the FDA PSE found that menthol in cigarettes is not associated with increased smoke toxicity, increased levels of biomarkers of exposure or increased disease risk, the evaluation concluded that menthol in cigarettes is likely associated with increased initiation and progression to regular cigarette smoking, increased dependence, reduced success of smoking cessation, especially among African-American menthol smokers, altered physiological responses to tobacco smoke and particular patterns of smoking. In the PSE, the FDA concluded that menthol cigarettes likely pose a public health risk above that seen with non-menthol cigarettes. The FDA also issued an Advance Notice of Proposed Rulemaking ("ANPRM") seeking comments on the PSE and requesting additional information related to potential regulatory options it might consider for the regulation of menthol. The FDA has sought comments regarding, among other things, information on potential product standards for levels of menthol in cigarettes; the timeframe for compliance with any product standard enacted; whether a stepped approach to lowering or removing menthol from cigarettes would be appropriate; whether sales, distribution, advertising or promotion restrictions are appropriate; and evidence, including public health impact, of any potential illicit market in menthol cigarettes should they no longer be available. In addition, the FDA announced that it is funding new research on, among other things, the differences between menthol and non-menthol cigarettes to obtain information to assist the FDA in making informed decisions related to potential regulation of menthol in cigarettes. The FDA established a comment period, which ended on 22 November 2013, for the ANPRM and PSE, and said

it will consider all comments and other information submitted to determine what, if any, regulatory action is appropriate. If the FDA determines that regulation of menthol is warranted, the FDA could promulgate regulations that, among other things, could result in a ban on, or restrictions on the use of, menthol in cigarettes, or further restrictions on the marketing and advertising of menthol cigarettes. The timing of the release of any such proposed regulation remains uncertain. Whilst no formal action has been taken in this regard since 2013, as stated above, the FDA has requested comments on a notice of proposed rulemaking regarding flavours in tobacco products, including menthol. Further, the FDA has made public statements regarding its possible future regulation of menthol in cigarettes, and has recently announced it plans to move forward with a rulemaking process to develop a product standard banning menthol. The timing of the FDA's process remains unclear as no formal proposed rule has been developed or issued.

Litigation

Except for the matters detailed below, there have been no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened) of which the Issuer, the Guarantor or ITL are aware during the 12 months preceding the date of the Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor, ITL or the Group.

In relation to the matters detailed below, and any other proceedings brought against any member of the Group in the future, the Group could incur substantial damages and costs (please see "Risk Factors – The Group could incur substantial damages and costs in connection with litigation").

Litigation relating to the Group

US litigation environment and State Settlement Agreements

In respect of state health care costs, Commonwealth Brands, SEITA, ITG Brands, ITL and several other affiliates of the Group are signatories to the Master Settlement Agreement ("MSA") in the US, which is an agreement between tobacco manufacturers and 52 US states and territories. On 12 June 2015, ITG Brands also joined a settlement agreement with another state, Mississippi, with respect to certain of ITG Brands' cigarettes in the US, in connection with ITG Brands' acquisition of those brands from Reynolds and Lorillard.

NPM Adjustment Disputes: The MSA includes an adjustment mechanism, known as a non-participating manufacturer ("NPM") adjustment, which potentially reduces participating tobacco manufacturers' annual MSA payment obligations. In order for an NPM adjustment to be made, an independent auditor must determine that the participating manufacturers have experienced a market share loss to those manufacturers who are not participants, and an independent firm of economic consultants must determine that the MSA was a significant factor contributing to that loss. The adjustment is then allocated among the settling states that are MSA parties according to whether they "diligently enforced" statutes known as "Qualifying Statutes". Although, for each year from 2003 to 2015 inclusive, the two requirements for application of the adjustment have been fulfilled, the relevant settling states dispute that any adjustment is required on the basis that they "diligently enforced" the "Qualifying Statutes". This dispute is continuing and encompasses NPM adjustments for 2016-2017 as well. The states and manufacturers have completed arbitration over the 2003 NPM adjustment and state-court challenges to certain of the arbitrators' decisions have been resolved, reducing the recovery by approximately 50 per cent. Arbitration over the 2004 NPM adjustment commenced in 2016 and is continuing. The proceedings in the state of Montana, which was not required by its courts to arbitrate the adjustment, have been resolved. State court proceedings are underway for another state, New Mexico, that is appealing an order compelling arbitration. Disputes over the remaining years (2005-2017) are still to be arbitrated.

Approximately US$13 million was recovered on the 2003 NPM adjustment in the form of credits to MSA payments. The potential recovery on the 2004-2017 adjustments is unquantifiable at present.

The manufacturers have now resolved by settlement the NPM adjustments for most of the disputed NPM adjustment years with 36 states representing approximately 75 per cent of the MSA share. Commonwealth Brands and ITG Brands have received substantial credits under these settlements with additional credits due or possibly due in the future. At this stage in the proceedings, approximately US$118 million has been recovered on the NPM adjustment settlements in the form of credits to MSA payments. The NPM

adjustment settlement is an ongoing claim by a number of manufacturers and estimates of future credits on settled claims are subject to change depending upon a number of factors included in the calculation of the credits.

State Settlement disputes in relation to the 2015 US acquisition: As required by the MSA, ITG Brands agreed in the Asset Purchase Agreement relating to the 2015 US acquisition (the "Asset Purchase Agreement") to assume, and did assume, payment responsibility for the Winston, Salem, Kool and Maverick brands under the MSA. As there were no similar provisions in the other State Settlements with Mississippi, Florida, Texas, and Minnesota, ITG Brands agreed in the Asset Purchase Agreement to use its "reasonable best efforts" to reach agreement with those states to become a party to those settlements, subject to certain conditions. It became a party to the Mississippi settlement with respect to the acquired brands effective 12 June 2015 and has been making settlement payments to Mississippi on the acquired brands since that date. Notwithstanding its efforts to do so, ITG Brands has not become a party to the Florida, Texas, or Minnesota settlements.

Philip Morris USA filed a challenge to ITG Brands' 12 June 2015 joinder in the Mississippi settlement agreement for certain US brands. Philip Morris USA agreed that it is appropriate for ITG Brands to join the agreement but disagreed with certain of the joinder provisions addressing a profit adjustment under the settlement, claiming that they adversely affect Philip Morris USA and were entered without notice to it or its consent. The state of Mississippi opposed the motion along with ITG Brands. The state trial-level court denied the motion in December 2015, finding that Philip Morris USA was not entitled to notice of the joinder because it was not affected by it. Philip Morris USA appealed that decision but later dropped the appeal. On 26 December 2018, Philip Morris USA filed a motion in Mississippi challenging treatment of profit adjustment issues. No response is currently due and no hearings have been set.

In January 2017, Florida and Philip Morris USA filed motions in the court administering the Florida settlement payments to "enforce" the settlement against Reynolds and ITG Brands. They claimed alternatively that Reynolds continued to owe settlement payments on the transferred brands and that ITG Brands was a "successor" or "assign" to Reynolds' payment obligations on the brands under the Florida settlement and thus ITG Brands owed settlement payments of approximately US$30 million a year on the acquired brands from 12 June 2015 onwards. Philip Morris USA and Florida also challenged the way in which the profit adjustment to settlement payments was calculated. A trial was held on 19-21 December 2017. On 27 December 2017, the Florida court issued an order denying the State and Philip Morris USA's motions with respect to ITG Brands, but granting them with respect to Reynolds. The court found that ITG Brands was not a successor or assign to obligations under the Florida settlement agreement and did not owe Florida any payments under it as a result of the transfer of brands. It also found that Reynolds continued to be liable for settlement payments on the brands. Reynolds and Philip Morris USA appealed, but those appeals were dismissed. The State, Philip Morris USA and Reynolds reached an agreed final judgment assessing amounts owed by Reynolds, and the court entered that judgment on 15 August 2018. Reynolds has appealed the portion of the judgment that applies to it and Philip Morris USA has purported to appeal the determination that ITG Brands has no liability for settlement payments. ITG Brands moved to dismiss Philip Morris USA's appeal as to it as either untimely and/or waived because the order was final as to it in December 2017. The appellate court denied that motion on 22 October 2018. Briefing on the appeals is due to start in March 2019.

In March 2018, Minnesota, joined by Philip Morris USA, filed a complaint against ITG Brands and a motion to enforce against Reynolds regarding the Minnesota settlement. Minnesota and Philip Morris USA claim, like Florida, that either Reynolds continues to be liable for settlement payments to it for the transferred brands or that ITG Brands became liable for settlement payments for them as a result of the asset purchase. They also raise the same issues regarding the profit adjustment that were raised in Mississippi and Florida. The complaint and motion to enforce have been consolidated. ITG Brands' response to the complaint was filed on 8 June 2018 and a scheduling order governing the case was entered on 22 June 2018. Discovery is underway, and a hearing on potential dispositive motions will be held in June 2019.

On 28 January 2019, Texas, the other State with a separate settlement agreement that is not part of the MSA, filed a motion to enforce the settlement agreement in the federal district court with continuing jurisdiction over the settlement, claiming that Reynolds or ITG Brands must make settlement payments on the transferred brands, along with a motion to join ITG Brands as a party to the settlement litigation. On the same day Texas also claimed by letter from the Comptroller for Public Accounts that if ITG Brands does not

make settlement payments, increased fees are due on the transferred brands for 2015-2019 under Texas' equity fee law.

On 28 January 2017, Reynolds filed a motion in Florida court seeking permission to file a claim there that ITG Brands had not used its "reasonable best efforts" as required by the Asset Purchase Agreement to join the Florida settlement. On 17 February 2017, ITG Brands filed a complaint against Reynolds in Delaware Chancery Court contending that court had exclusive jurisdiction over disputes under the Asset Purchase Agreement and seeking a declaration that it had used "reasonable best efforts". On 1 March 2017, the Delaware court issued an order forbidding Reynolds from prosecuting a "reasonable best efforts" claim affirmatively in the Florida action. On 17 May 2017, the Delaware court denied Reynolds' motion to stay the Delaware proceeding. On 6 December 2017, the Delaware court denied a motion by ITG Brands for judgment on the pleadings, rejecting the argument that as a matter of law the duty of reasonable best efforts ceased due to the closing and stating that whether reasonable best efforts had occurred and when such duty terminated was a fact question for future determination. On 28 September 2018, Reynolds filed an amended complaint adding allegations regarding the Minnesota litigation. On 29 October 2018, ITG Brands answered that amended complaint. On 4 January 2019, Reynolds filed a motion seeking an order that ITG Brands must indemnify it for settlement payments it is required to pay to Florida or other states on the purchased brands. ITG Brands' response is due on 1 March 2019. No hearing has been set. Future proceedings in Delaware may address whether ITG Brands has exercised reasonable best efforts to join the Florida, Texas, and Minnesota settlements and whether ITG Brands is required to indemnify Reynolds for amounts Reynolds may be required to pay with respect to the transferred brands under those settlements.

In March 2017 and March 2018, the states that are parties to the MSA and Philip Morris USA disputed the MSA calculations performed by PricewaterhouseCoopers LLP as Independent Auditor to the MSA (the "MSA Auditor") insofar as they reduced ITG Brands' payments by a "PSS Reduction". In both years, the MSA Auditor rejected the dispute and found that ITG Brands was entitled to the PSS Reduction under the MSA's language. The PSS Reduction currently results in a reduction of approximately US$65 million in ITG Brands' MSA payments. In April 2018, Philip Morris USA placed approximately US$3 million in the MSA's "disputed payments account", citing this dispute. It is possible that Philip Morris USA or the MSA states will seek to submit this dispute to arbitration in the future under the MSA's arbitration clause.

Other US litigation

On 12 June 2015, ITG Brands became a party for purposes of remedies and became subject to a remedial order in *United States v. Philip Morris Inc.*, No. 99-2496 (GK), pending in the United States District Court for the District of Columbia. In the suit, the federal government sued certain of the US tobacco companies (not including ITG Brands) alleging violations of the federal Racketeer Influenced and Corrupt Organizations Act (RICO). In 2009 the trial court found for the government and imposed remedial remedies on Reynolds and Philip Morris USA, amongst others. The remedial order, after some alteration on appeal, remains in place. Under the terms of the order, ITG Brands was required to become subject to that order and to the federal court's jurisdiction as a condition of acquiring certain brands from Reynolds and Lorillard. The order imposes certain conduct and disclosure requirements, enforceable by injunctive relief, but no monetary liability. One conduct requirement contained in the order is the publication of "corrective statements" regarding tobacco and smoking on various media. On 18 June 2018, ITG Brands published the corrective statements on its corporate website and two branded websites, for Winston and Kool. Since 21 November 2018, ITG Brands has been required to ship products with "onserts" bearing the corrective statements on the packaging, with onserts being placed on shipments of two weeks' estimated annual volume of product occurring six times over approximately two years. The federal court is currently considering whether to require the applicability of additional corrective statements in retail stores.

Fontem US is named as a defendant in a case captioned *Petrucci vs. 7-Eleven Distribution Company, et al.*, filed in the Superior Court of the State of California for the County of Los Angeles, Central District (Case No. BC695450). The case is brought against seventeen defendants, in addition to Fontem US. The plaintiffs seek recovery of money damages, including punitive damages, against all defendants based on the claim that the principal plaintiff, Edith Anne Petrucci, was injured as a result of her use of e-cigarettes and e-vaping devices, including e-cigarettes manufactured by Fontem US. The plaintiffs assert claims, styled as eight causes of action as follows: negligence; strict liability - failure to warn; strict liability - design defect; fraudulent concealment; intentional misrepresentation; negligent misrepresentation; breach of implied warranties; and loss of consortium (asserted on behalf of plaintiff Robert Petrucci).

Fontem US filed demurrers to the original complaint and joined a co-defendant's motion to strike the punitive damage claims. In October 2018, co-defendants' demurrers to the fraudulent concealment, two misrepresentation, and breach of implied warranties causes of action were sustained and a motion to strike the punitive damage claims was granted, with leave given to the plaintiffs to replead.

In November 2018, plaintiffs served a first amended complaint asserting the same eight causes of action, although the negligent misrepresentation cause of action was asserted against only four defendants, including Fontem US. Fontem US filed demurrers to the fraudulent concealment, two misrepresentation, and breach of implied warranties causes of action, and a motion to strike the punitive damage claims. Several co-defendants also filed demurrers and motions to strike. On 9 January 2019, demurrers filed by a co-defendant were sustained as to the intentional misrepresentation and breach of implied warranties causes of action with leave given to the plaintiffs to replead. That co-defendant's demurrer to the fraudulent concealment cause of action was overruled. In view of this decision, the court vacated the other pending demurrers and motions to strike directed to the first amended complaint (including those filed by Fontem US), without prejudice to them being filed in response to the second amended complaint plaintiffs are expected to file. At this stage of the proceedings, the Group can neither evaluate the likelihood of an unfavourable outcome nor estimate Fontem US's potential loss (if any).

ITG Brands has been named in various product liability claims and lawsuits asserted in Massachusetts state court between 2016 and 2018. This litigation involves claims by individual plaintiffs, based upon their personal smoking history. ITG Brands has the benefit of an indemnity from Reynolds in respect of any part of these individual claims and lawsuits relating to the use of Winston, Kool, and Maverick cigarettes.

Based upon the indemnity by Reynolds, plaintiffs' counsel in all pending Massachusetts cases and claims involving ITG Brands have agreed to refrain from naming ITG Brands as a defendant in smoking-related cases until 13 June 2023. A part of that agreement, plaintiffs' counsel have dismissed ITG Brands without prejudice from all pending Massachusetts state court cases or, alternatively, have agreed in cases where the plaintiff has died to omit ITG Brands from the amended complaint when it is filed by the estate administrator. This agreement with plaintiffs has resulted in ITG Brands' dismissal without prejudice in six Massachusetts state court cases, including those brought by plaintiffs Alfred Federico, Cheryl Brightman, Billie Ann Brown, Deborah MacNeil, Edwin Bonelli and Richard McCurran. The Federico case has since been dismissed as to all parties. Based on the indemnity agreement, plaintiffs' counsel has agreed to omit ITG Brands in the amended complaints that have been or will be filed by the estate administrators of three plaintiffs who have died since their lawsuits were filed, including Cheryl Harris (ITG Brands was not named in amended complaint), Walter Raleigh and Jeanne Quinn. ITG Brands was also not named in lawsuits filed by plaintiffs in five Massachusetts state court cases in which Winston, Kool, and/or Maverick cigarette use was alleged, including lawsuits filed by plaintiffs Michael Zonak, Philip DeRoo, Reuben Lee, Gloria Waters, and Jean Restani/Leslie Power. Finally, claimants Frances LaPointe and Katherine Fowler have not filed lawsuit in Massachusetts state court in furtherance of their claims. In her claim, Ms. LaPointe had also alleged that she smoked Montclair cigarettes. Commonwealth Brands has the benefit of an indemnity from Reynolds (the successor in interest to Brown & Williamson) that would cover any claim in respect to Montclair cigarettes between 1955 (when the claimant Ms. LaPointe began smoking) and 1996 (when Commonwealth Brands purchased the Montclair brand from Brown & Williamson).

Litigation in Argentina

In January 2016, SEITA was notified of a claim which has been filed with a Civil Court of the City of Buenos Aires against Nobleza Piccardo ("Nobleza") by an individual seeking redress for damages suffered as a consequence of smoking. Nobleza manufactures and distributes two brands of cigarettes owned by SEITA in Argentina under the terms of a Licence Agreement. Nobleza has sought to invoke an indemnity contained in the Licence Agreement, pursuant to which SEITA is responsible for any product liability to third parties. The amount claimed is AR$8,980,200 (approximately £188,763.80), plus interest, costs and legal expenses, and such larger or smaller amount that may arise from the evidence. The claimant has requested that he be granted the benefit of suing in "*forma pauperis*" which, if granted, will affect the costs payable by the claimant and/or recoverable by Nobleza. The claim is currently in the evidence production period, during which all information, expert and witness evidence will be produced. As part of this, several hearings have taken place to take the testimony of four of the claimant's five factual witnesses (the claimant has relinquished the right to take the testimony of the fifth). The last of these hearings took place on 20 December 2017. In October and November 2017, the biochemical expert provided his report and responses

to various requests from Nobleza for clarification of his report. In November 2017, the court replaced the previously-appointed psychiatric expert. During February 2018, the forensic expert reported that she had completed the examinations of the claimant necessary for her report. In March 2018, the court requested that the newly-appointed psychiatric expert schedule a date for the claimant's examination. The psychiatric expert filed his report in October 2018. Nobleza has until 5 February 2019 to file any objections or requests for clarification. The forensic expert has not yet filed her report, despite the court ordering her to do so in October 2018 and again in late December 2018. This is the only outstanding expert report. The information evidence offered by both parties has also not yet been produced.

Litigation in France

On 16 January 2018, the French National Committee against Tobacco (the "CNCT"), filed a criminal complaint with the Paris Public Prosecutor against the four main tobacco manufacturers, including a French subsidiary of Imperial Brands named Imperial Brands Finance France SAS ("IBFF"), on the grounds of 'reckless life endangerment'. Neither IBFF nor any of its employees or managers have been charged or placed under formal investigation in any on-going proceedings as a result of the complaint. Imperial Brands strongly denies the allegations made by the CNCT and is monitoring developments.

Litigation in Italy

Logista, as a distributor of cigarettes, is currently a defendant in a claim commenced before a First Instance Judge (Giudice di Pace) in Naples by Mr Eduardo Arnese. The amount of the claim has not been precisely quantified by the claimant and is for damages suffered as a consequence of alleged addiction. Logista filed a challenge to the competence of the Giudice di Pace which was heard in 2006. The judgment on this and other procedural issues is awaited.

A further litigation proceeding has been brought by two individuals who have summoned Imperial Tobacco Italy S.r.l ("ITI") and Reemtsma Distribution Company S.r.l ("Reemtsma") in relation to harm allegedly suffered as a consequence of the use of tobacco which had allegedly been damaged as a result of the use of a humidifying stone. The humidifying stone was not produced by either ITI or Reemtsma. Rather, the stone was produced by a third party, whom the court has ruled cannot be made a party to the proceedings. Each individual is claiming €400,000 (approximately £346,560). ITI and Reemtsma have denied liability. The claimants have made two settlement offers to date, both of which have been rejected by ITI and Reemtsma. At hearings on 8 February 2017 and 18 October 2017, the judge was informed that ITI and Reemtsma had not accepted settlement proposals made by the claimants. In January 2018, ITI was informed that a new judge had been assigned to the case. He scheduled a hearing for 7 February 2018 to deal with a historic issue regarding service of the claim form on Reemtsma. At the hearing, the claimants confirmed that Reemtsma should be a party to the proceedings and requested a further period for settlement discussions. ITI and Reemtsma requested that the procedural irregularities surrounding service be remedied by the claimants. The judge reserved his decision on service, scheduled the next hearing for 17 October 2018 and invited the parties to seek to settle the dispute. The hearing on 17 October 2018 has been postponed until 3 July 2019. The judge has not yet made a decision on the parties' requests for oral and expert evidence.

Litigation in Poland

On 9 October 2017, Imperial Tobacco Polska ("Imperial Polska") received notice that a claim had been filed against it in the Regional Court in Poznań by an individual, Mr Wiesław Kuźlak, claiming PLN 1,000,000 (approximately £201,800) by way of compensation for alleged smoking related health effects. Mr Wiesław Kuźlak is a prisoner in Wronki prison in the north-west of Poland. Imperial Polska denied the claim in full. At a hearing on 21 March 2018, Mr Wiesław Kuźlak was questioned by the court and Imperial Polska's advocate on a number of issues, including his smoking and medical history. At a further hearing on 18 May 2018, the court dismissed the claim in full and ordered that Mr Wiesław Kuźlak pay Imperial Polska's costs in the sum of PLN 10,817 (approximately £2,180). On 18 July 2018, Mr Wiesław Kuźlak filed an appeal. Imperial Polska filed a reply to the claimant's appeal on 10 August 2018. Imperial Polska is currently awaiting the scheduling of the hearing by the Appellate Court in Poznań.

Litigation in Russia

In March 2018, Imperial Tobako LLC received a copy of a claim by an individual, Mr Aleksey Vyacheslavovich Kalinin. The claim is directed against a number of tobacco companies, including Imperial Tobako LLC. Mr Kalinin is seeking damages in the amount of RUB 6,600,000 (approximately £74,580) for psychological harm allegedly caused by nicotine in cigarettes. The claim has not been filed at court and the copy of the claim was received directly from Mr Kalinin. As a result, no court proceedings have yet been initiated and Imperial Tobako LLC has not been properly served in accordance with Russian procedural law.

EC proceedings

In December 2007, the European Commission (the "EC") commenced state aid proceedings against the Spanish state pursuant to Article 88.2 of the European Union Treaty (current Art. 108.2 Treaty on the Functioning of the European Union. 2012/C 326/01), relating to a Spanish tax law which allows the difference between the acquisition value and the net value of a stake in non-Spanish resident entities to be tax deductible in certain circumstances. The EC claimed that the law is selective in favour of certain entities and could have an adverse effect upon competition.

In October 2009, the EC rendered a negative decision with respect to the effect of the Spanish tax law on intra-European Union acquisitions, determining that these tax deductions qualified as state aid, since it provided selective advantage to Spanish companies in the acquisition of non-Spanish resident European Union targets, making it incompatible with the European Union single market. The EC limited the effect of its decision, however, to any tax deductions taken under this law after 21 December 2007, when these EC proceedings were commenced, reasoning that the companies who took these tax deductions had "legitimate expectations" that this Spanish tax law was valid and did not conflict with European Union state aid provisions. Since Logista acquired its European Union-investment in 2004, it will not have to reimburse the amounts of its tax deductions, which amounted to approximately €80 million as of 30 September 2018.

Several companies have appealed the decision before the General Court of the European Union. Most of the appeals contended that the measure did not entail state aid and that the principle of legitimate expectations should have been extended until the publication of the final decisions in the official Journal. The only exception was the appeal filed by a non-Spanish entity against the acknowledgement of the existence of legitimate expectations prior to 21 December 2007.

In a decision delivered on 7 November 2014, the General Court of the European Union annulled the EC decision on the basis that the EC has failed to demonstrate that the Spanish measure was selective. The judgment expressly excludes the possibility of recovering the tax benefits.

The 7 November 2014 decision was subject to a cassation appeal by the EC to the Court of Justice of the EU.

In December 2016 the Court of Justice of the EU annulled the previous General Court's decision and referred the case back to the General Court of the European Union for a second hearing, where additional arguments were discussed.

In November 2018 the General Court issued new decisions confirming the existence of state aid, on the one hand, and confirming the validity of the legitimate expectations previously recognised by the EC. These decisions are subject to a cassation appeal.

As a consequence, the amount deducted by Logista related to the European Union operation is still subject to a potential recovery order. However, this scenario is considered by the Group to be remote as it would require the Court of Justice of the EU to confirm the state aid and, in addition, to rule against the EC's original decision that legitimate expectations had been granted.

Recent EC proceedings

On 24 November 2017, the European Commission published an opening decision that the UK's Controlled Foreign Company regime contains provisions constituting state aid. The Group, like other UK multinationals, has complied with these provisions in its tax returns. If the European Commission's final decision confirms its opening position, and this is ultimately upheld through the judicial process, the Group

considers that the amount of additional tax payable would be between nil and £300 million, depending on the basis of calculation. At this time no final decision has been published and may in any event be challenged by the UK government. Based upon advice taken, the Group does not consider any provision is required in respect of this issue.

Product liability litigation relating to the assets acquired pursuant to the 2015 US acquisition

Certain members of the Reynolds group and certain members of the Lorillard group were or are, in respect of the cigarette brands acquired as part of the 2015 US acquisition, subject to ongoing, pending and threatened product liability proceedings in the US including: (a) individual claims alleging personal injury or death; (b) class actions alleging personal injury or requesting court-supervised programmes for on-going medical supervision and monitoring; (c) claims brought to recover the costs of providing health care; and (d) claims in relation to the labelling of products as "light" or "ultra-light". However, as these brands were acquired without historic product liabilities, these proceedings and the respective quantum of such claims are not described in further detail in this document. Litigation related to the State Settlement Agreements and the 2015 US acquisition are described above.

Guarantees

The Group has guaranteed various committed and uncommitted borrowings facilities and liabilities of certain UK and overseas undertakings, including Dutch and Irish subsidiaries. As at 30 September 2018, the amount guaranteed is £18,374 million.

The guarantees include the Dutch subsidiaries, all of which are included in the consolidated financial statements as at 30 September 2018 and which, in accordance with Book 2, Article 403 of The Netherlands Civil Code, do not file separate financial statements with the Chamber of Commerce. Under the same article, the Group has issued declarations to assume any and all liabilities for any and all debts of the Dutch subsidiaries.

The guarantees also cover the Irish subsidiaries, all of which are included in the consolidated financial statements as at 30 September 2018. The Irish companies, namely John Player & Sons Limited and Imperial Tobacco Mullingar, have therefore availed themselves of the exemption provided by section 17 of the Irish Companies (Amendment) Act 1986 in respect of documents required to be attached to the annual returns for such companies.

All Notes issued under the Programme will be irrevocably and unconditionally guaranteed by Imperial Brands as described in the Trust Deed. The guarantee is an unsecured, unsubordinated obligation of Imperial Brands, guaranteeing all monies due under the Notes.

French Tax Administration

In November 2015, the Group received a challenge from the French tax authorities that could lead to additional tax liabilities of up to £250 million as of 30 September 2018. An amount of £42 million is provided for within the provision for uncertain tax positions in the consolidated financial statements of the Guarantor for the financial year ended 30 September 2018. The challenge concerns the valuation placed on the shares of Altadis Distribution France (now known as Logista France) following an intra group transfer of the shares in October 2012 and the tax consequences flowing from a potentially higher value that is argued for by the tax authorities. In September 2018, the dispute was heard before the Commission Nationale, an independent adjudication body, whose decision is advisory only. In October 2018, the Commission Nationale issued its report which is favourable to the Group's position. In December 2018 the French tax authorities issued collection notices for €272 million. Based on professional advice, the Group believes it has strong grounds for appeal and has filed an application for deferral of payment.

Russian Tax Authorities

In 2017 new legislation was introduced in Russia, prospectively limiting the amount of production that could take place prior to new excise tax increases. On 28 September 2018, the Russian tax authorities issued a preliminary tax audit report for the calendar years 2014-2016 seeking to assess retrospectively additional excise and VAT with associated interest and penalties of approximately £132 million in respect of pre-production prior to new excise duty increases. In the event that the Russian tax authorities were to apply the

same ruling to 2017, the Group estimates further excise and VAT with associated interest and penalties of £74 million could be assessed. The Group believes it has strong grounds for objecting to the preliminary report and is preparing a defence. The Group has complied with this legislation since it became effective. The Group is unable to make a reliable estimate of any provision until its objections to the preliminary report have been discussed with the Russian tax authorities, and furthermore, disclosure of a provision could be prejudicial.

Imperial Tobacco Limited

ITL was incorporated as a private company with limited liability under the laws of England and Wales on 1 November 1984.

Its registered office is at 121 Winterstoke Road, Bristol BS3 2LL, England (telephone number: +44 (0) 117 963 6636). It is registered with the Registrar of Companies in England and Wales with company number 01860181.

ITL is an indirect wholly-owned subsidiary of Imperial Brands. As at the date of this Prospectus, it has issued share capital of £18,831,139 comprising 18,831,139 ordinary shares of £1 each.

The principal activity of ITL is the marketing and sale of tobacco and tobacco-related products. ITL is also a holding company and an intermediate parent company for the majority of the Group's subsidiaries.

The Directors and Company Secretary of ITL as at the date of this Prospectus are as follows:

Name	Title
John M Downing	Director
Oliver R Tant	Director
Thomas R W Tildesley	Director
Marie A Wall	Director
Trevor M Williams	Company Secretary

The business address of the Directors is 121 Winterstoke Road, Bristol BS3 2LL, England. Two of the current Directors hold external positions outside the Group as follows: Oliver R Tant is a Director of The Copse House Cider Company Ltd, Landshire Estates Ltd, and Landshire Cider Ltd, an LLP member of Future Fuels No. 1 LLP, Cobalt Data Centre 2 LLP, Green Power Plant LLP and an LP Member of Invicta Martineau Place LP. Thomas R W Tildesley is a Director of W H Tildesley Investment Holdings Limited and W H Tildesley Investments Limited.

There are no existing or potential conflicts of interest between any duties to ITL of the Directors and/or their private interests and other duties.

All Notes issued under the Programme will be irrevocably and unconditionally guaranteed by way of an amended and restated deed of guarantee dated 30 January 2019 by ITL (the "Deed of Guarantee"). The guarantee is an unsecured, unsubordinated obligation of ITL, guaranteeing all monies due under the Notes. The Deed of Guarantee may be terminated at the option of ITL if each credit rating agency which ascribes a solicited long-term credit rating to Notes issued under the Programme confirms in writing to the Trustee that such Notes will carry the same credit rating as the solicited long-term corporate credit rating ascribed to the Group, without the benefit of any guarantee, indemnity or similar arrangement from ITL or any other entity other than the Guarantor.

Taxation

United Kingdom Taxation

The comments below are of a general nature based on the Issuer's understanding of current United Kingdom law as applied in England and Wales and published United Kingdom Her Majesty's Revenue and Customs ("HMRC") practice (which may not be binding on HMRC) relating to the deduction of tax from interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes or Coupons. They do not necessarily apply where the income is deemed for tax purposes to be the income of any person other than the Holder of the Note or Coupon. They relate only to the position of persons who are the absolute beneficial owners of the Notes and Coupons and may not apply to certain classes of persons such as dealers or certain professional investors. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes may affect the tax treatment. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. The following is a general guide. It is not intended to be exhaustive and should be treated with appropriate caution. ***Any Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who are in doubt as to their personal tax position should consult their professional advisers.***

While the Notes are and continue to be listed on a recognised stock exchange within the meaning of Section 1005 of the Income Tax Act 2007, payments of interest that have a source in the United Kingdom may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes are and remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

If the Notes carry a right to interest and have a maturity date less than one year from the date of issue (and do not form part of any arrangement, the effect of which is to render such Notes part of a borrowing intended to be capable of remaining outstanding for one year or more), payments of interest that have a source in the United Kingdom may be made without withholding or deduction for or on account of United Kingdom income tax irrespective of whether or not the Notes are listed.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent) subject to the availability of other exemptions and reliefs under domestic law including an exemption for certain payments of interest to which a company within the charge to United Kingdom corporation tax is beneficially entitled, or to any direction from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty. (HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).)

Payments of interest on the Notes that have a source outside the United Kingdom may be made without withholding or deduction for or on account of United Kingdom income tax.

If the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes), such payments may be subject to withholding on account of United Kingdom tax at the basic rate (currently 20 per cent) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for the other exemptions from the obligation to withhold tax described above.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed

in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. A foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described in Condition 15) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

The proposed financial transactions tax ("FTT")

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

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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

The Commission's Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

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

Subscription and Sale

Summary of Programme Agreement

Subject to the terms and on the conditions contained in an amended and restated programme agreement dated 30 January 2019 (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the "Programme Agreement") between the Issuer, the Guarantor, the Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the US or to, or for the account or benefit of, US persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the

Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented, warranted and undertaken that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;

- the expression "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA"). Accordingly each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell Notes in Japan or to, or for the benefit of, any resident of Japan, or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Prospectus or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as referred to in Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "Financial Services Act") and Article 34-*ter*, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "Issuers Regulation"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "Banking Act") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time; and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

France

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers or sales and distributions have been and

will be made only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) and/or a limited circle of investors (*cercle restreint*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411.4 of the French *Code monétaire et financier*.

Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "Belgian Consumer") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

Each Dealer has acknowledged that no representation is made by the Issuer, the Guarantor or any Dealer that any action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or any Dealer that would permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Each Dealer will comply with all applicable securities laws and regulations (to the best of its knowledge after due and careful enquiry) in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any other offering material, in all cases at its own expense.

Form of Final Terms

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

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

IMPERIAL BRANDS FINANCE PLC

Legal Entity Identifier: 2138008L3B3MCG1DFS50

issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by Imperial Brands PLC
irrevocably and unconditionally
under the €15,000,000,000 Debt Issuance Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [ ] [and the supplement[s] to it dated [ ] [and [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "Prospectus"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published via the regulatory news service maintained by the London Stock Exchange *(www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).]*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Prospectus dated [ ] [and the supplement to it dated [ ]] which are incorporated by reference in the Prospectus dated [ ]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [ ], [and the supplement[s] to it dated [ ] [and [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "Prospectus"), including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published via the regulatory news service maintained by the London Stock Exchange *(www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)*.]

1. (i) Issuer: Imperial Brands Finance PLC

	(ii) Guarantor:	Imperial Brands PLC
2.	(i) Series Number:	[ ]
	(ii) Tranche Number:	[ ]
	(iii) Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [ ] on the [Issue Date/exchange of Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or on about [ ]] [Not Applicable]
3.	Specified Currency or Currencies:	[ ]
4.	Aggregate Nominal Amount:	
	(i) Series:	[ ]
	(ii) Tranche:	[ ]
5.	Issue Price:	[ ] per cent of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6.	(i) Specified Denominations:	[ ]
	(ii) Calculation Amount:	[ ]
7.	(i) Issue Date:	[ ]
	(ii) Interest Commencement Date:	[ ]/Issue Date/Not Applicable]
8.	Maturity Date:	[ ] [Interest Payment Date falling in or nearest to [ ]]
9.	Interest Basis:	[[ ] per cent Fixed Rate] [[ ] +/- [ ] per cent Floating Rate] [Zero Coupon] (see paragraph [14/15/16] below)
10.	Redemption[/Payment] Basis:	Subject to any purchase or cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent of their nominal amount
11.	Change of Interest Basis:	[/Not Applicable]
12.	Put/Call Options:	[Issuer Call] [Issuer Make-Whole Call] [Issuer Residual Call] [General Investor Put] [Change of Control Investor Put] [(see paragraph [18/19/20/21 below)]
13.	Date [Board] approval for issuance of Notes [and Guarantee] obtained.	[ ] [and [ ], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	[Applicable/Not Applicable]
	(i) Rate(s) of Interest:	[ ] per cent per annum payable in arrear on each Interest Payment Date

(ii)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date
(iii)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
(iv)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]/[Not Applicable]
(v)	Day Count Fraction:	[30/360][Actual/Actual (ICMA)]
(vi)	Determination Dates:	[[ ] in each year] [Not Applicable]
(vii)	Step Up Ratings Change and Step Down Ratings Change:	[Applicable/Not Applicable]
	– Step Up Margin	[ ]
15.	Floating Rate Note Provisions	[Applicable/Not Applicable]
(i)	Interest Period(s)/Specified Interest Payment Dates:	[ ]
(ii)	Interest Period Date:	[Not Applicable/[ ] in each year[, subject to adjustment in accordance with the Business Day Convention specified in paragraph 15(iii) below/, not subject to any adjustment[, as the Business Day Convention in paragraph 15(iii) below is specified to be Not Applicable]]]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(iv)	Additional Business Centre(s):	[ ]
(v)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[ ]
(vii)	Screen Rate Determination:	
	– Reference Rate:	Reference Rate: [ ] month [LIBOR/EURIBOR]
	– Interest Determination Date(s):	[ ]
	– Relevant Screen Page:	[ ]
(viii)	ISDA Determination:	
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]

(ix)	Margin(s):	[+/-][ ] per cent per annum
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(xi)	Minimum Rate of Interest:	[[ ] per cent per annum/Not Applicable]
(xii)	Maximum Rate of Interest:	[[ ] per cent per annum/Not Applicable]
(xiii)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual (ICMA)]
(xiv)	Step Up Ratings Change and Step Down Ratings Change:	[Applicable/Not Applicable]
	– Step Up Margin	[ ]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i)	Amortisation Yield:	[ ] per cent per annum
(ii)	Day Count Fraction [in relation to Early Redemption Amounts]:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 6(c) (Redemption for Taxation Reasons):	Minimum period: [ ] [30] days Maximum period: [ ] [60] days
18.	Issuer Call	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[ ]/[Any date from and including [ ] to but excluding [ ]]/[Not Applicable]
(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount]/[Amortised Face Amount]]
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[ ]
	(b) Maximum Redemption Amount:	[ ]
(iv)	Notice periods:	Minimum period: [ ] [15] days Maximum period: [ ] [30] days
19.	Issuer Make-Whole Call	[Applicable/Not Applicable]
(i)	[Sterling Make-Whole Redemption:	[Applicable/Applicable from and including [ ] to but excluding [ ]/Not Applicable]]

	(a) [Reference Bond:	[ ] [FA Selected Bond][Not Applicable]]
	(b) [Quotation Time:	[ ]]
	(c) [Redemption Margin:	[[ ] per cent/Not Applicable]]
	(d) [If redeemable in part:	
	– Minimum Redemption Amount:	[ ]
	– Maximum Redemption Amount:	[ ]]
	(e) [Notice Periods:	Minimum period: [ ] [15] days Maximum period: [ ] [30] days]
(ii)	[Non-Sterling Make-Whole Redemption:	[Applicable/Applicable from and including [ ] to but excluding [ ]/Not Applicable]]
	(a) [Reference Bond:	[ ] [FA Selected Bond][Not Applicable]]
	(b) [Quotation Time:	[ ]]
	(c) [Redemption Margin:	[[ ] per cent/Not Applicable]]
	(d) [If redeemable in part:	
	– Minimum Redemption Amount:	[ ]
	– Maximum Redemption Amount:	[ ]]
	(e) [Notice Periods:	Minimum period: [ ] [15] days Maximum period: [ ] [30] days]
20.	Issuer Residual Call:	[Applicable/Not Applicable]
	Residual Call Early Redemption Amount:	[ ] per Calculation Amount
21.	General Investor Put	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount:	[[ ] per Calculation Amount]/[Amortised Face Amount]
	(iii) Notice periods:	Minimum period: [ ] [15] days Maximum period: [ ] [30] days
22.	Change of Control Investor Put	[Applicable/Not Applicable]
	Optional Redemption Amount:	[[ ] per Calculation Amount]/[Amortised Face Amount]
23.	Final Redemption Amount	[ ] per Calculation Amount
24.	Early Redemption Amount	
	Early Redemption Amount payable on redemption for taxation reasons or on event of	[[ ] per Calculation Amount]/[Amortised Face Amount]

default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:	[Bearer Notes:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Registered Notes:] [Registered Global Note ([ ] nominal amount) registered in the name of a nominee for a common [depositary/safekeeper] for Euroclear and Clearstream, Luxembourg]
26. New Global Notes:	[Yes] / [No]
27. Additional Financial Centre(s):	[Not Applicable/[ ]]
28. Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

THIRD PARTY INFORMATION

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

Signed on behalf of Imperial Brands Finance PLC:

By: .....
Duly authorised

Signed on behalf of Imperial Brands PLC:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and admission to trading:	Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the London Stock Exchange] and to be listed on the Official List of the UK Listing Authority with effect from [ ]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

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

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, any may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.] [So far as the Issuer is aware, the following persons have an interest material to the issue/offer: [ ]]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i)]	Reasons for the offer:	[ ]
[(ii)]	Estimated net proceeds:	[ ]
[(iii)]	Estimated total expenses:	[ ]

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:	[ ] The yield is calculated as at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORICAL INTEREST RATES (*Floating Rate Notes only*)

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

7. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI Code:	[[ ]/Not Applicable]

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

8. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/[ ]
(iii)	Date of [Subscription] Agreement:	[ ]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/[ ]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/[ ]
(vi)	US Selling Restrictions:	[Reg S Compliance Category 2, [TEFRA D/TEFRA C/TEFRA not applicable]]
(vii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged"*

products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

General Information

1. The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that listing of the Programme on the Official List and admission of the Notes to trading on the Market will be granted on or around 4 February 2019. It is further expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the London Stock Exchange will normally be effected for delivery on the third working day after the day of the transaction.

2. The Issuer, the Guarantor and ITL have obtained all necessary consents, approvals and authorisations in the UK in connection with the issue and performance of the Notes and the guarantees relating to Notes issued under the Programme. The giving of the guarantees relating to Notes issued under the Programme by the Guarantor and ITL and the update of the Programme was authorised by a resolution of the Board of Directors of the Guarantor passed on 30 October 2014 and by resolutions of the Board of Directors of ITL passed on 10 December 2018. The update of the Programme and the issue of Notes under the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 10 December 2018.

3. There has been no significant change in the financial or trading position of the Group since 30 September 2018. There has been no material adverse change in the prospects of (i) ITL since 30 September 2017 or (ii) the Issuer or the Guarantor since 30 September 2018.

4. Each permanent Global Note and Definitive Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any US person who holds this obligation will be subject to limitations under the US income tax laws, including the limitations provided in Sections 165(j)) and 1287(a) of the Internal Revenue Code".

5. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN), the CFI Code, the FISN and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the applicable Final Terms.

6. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Final Terms.

7. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions.

8. For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available in physical form, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of The Bank of New York Mellon, 1 Canada Square, London E14 5AL, England:

   8.1 the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);

   8.2 the Articles of Association of the Issuer and the Guarantor;

   8.3 the published annual report and audited accounts of the Issuer for the two financial years most recently ended, the audited consolidated annual accounts of the Guarantor for the two years most recently ended and any subsequent interim financial statements of the Guarantor;

   8.4 each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published

under the Prospectus Directive will only be available for inspection by a Holder of such Note and such Holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);

8.5 a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and

8.6 a copy of the amended and restated Deed of Guarantee dated 30 January 2019 by ITL.

In addition, this Prospectus is also available at the website of the Regulatory News Service operated by the London Stock Exchange (*http//www.londonstockexchange.com/exchange/news/market-news/market-news-home.html*).

9. Copies of the latest annual report and accounts of the Issuer and the Guarantor and the latest interim consolidated accounts of the Guarantor may be obtained, and copies of the Trust Deed (including the Guarantee) will be available for inspection, at the Specified Offices of each of the Paying Agents during normal business hours, so long as any of the Notes are Outstanding.

10. PricewaterhouseCoopers LLP, Registered Auditors and Chartered Accountants (a member of the Institute of Chartered Accountants in England and Wales) of 2 Glass Wharf, Bristol BS2 0FR, England have audited, and rendered unqualified audit reports on:

(i) the non-consolidated financial statements of the Issuer for the year ended 30 September 2017 and the year ended 30 September 2018;

(ii) the consolidated financial statements of the Guarantor for the year ended 30 September 2017 and the year ended 30 September 2018; and

(iii) the non-consolidated financial statements of ITL for the year ended 30 September 2016 and the year ended 30 September 2017.

PricewaterhouseCoopers LLP has no material interest in any of the Issuer, the Guarantor or ITL.

11. The non-consolidated financial statements of (i) the Issuer for the years ended 30 September 2017 and 30 September 2018 and (ii) ITL for the years ended 30 September 2016 and 30 September 2017 were prepared in accordance with International Financial Reporting Standards and the Companies Act 2006.

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

Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial

instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

For the purposes of this paragraph, the term “affiliates” also includes parent companies.

Registered office of

Imperial Brands Finance PLC,
Imperial Brands PLC and
Imperial Tobacco Limited
121 Winterstoke Road
Bristol BS3 2LL
England

DEALERS

Banca IMI S.p.A.
Largo Mattioli 3
20121 Milan
Italy

Banco Bilbao Vizcaya Argentaria, S.A.
One Canada Square
44th Floor
London E14 5AA
England

Banco Santander, S.A.
Ciudad Grupo Santander
Edificio Encinar
Avenida de Cantabria s/n
28660 Boadilla del Monte
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Spain

Bank of China Limited, London Branch
1 Lothbury
London
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England

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
England

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Crédit Agricole Corporate
And Investment Bank
12, Place des Etats-Unis CS 70052
92547 Montrouge Cedex
France

HSBC Bank plc
8 Canada Square
London E14 5HQ
England

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
England

MUFG Securities EMEA plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
England

Mizuho International plc
Mizuho House
30 Old Bailey
London EC4M 7AU
England

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
England

SMBC Nikko Capital Markets Limited
One New Change
London EC4M 9AF
England

Société Générale
29 boulevard Haussmann
75009 Paris
France

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Federal Republic of Germany

ISSUING AND PAYING AGENT, PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon
1 Canada Square
London E14 5AL
England

REGISTRAR, PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon S.A./N.V., Luxembourg Branch
Vertigo Building – Polaris
2-4 Eugène Ruppert
L-2453 Luxembourg

TRUSTEE

BNY Mellon Corporate Trustee Services Limited
1 Canada Square
London E14 5AL
England

AUDITORS

To the Issuer, Imperial Tobacco and ITL

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol BS2 0FR
England

LEGAL ADVISERS

To the Issuer, the Guarantor and ITL

as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
England

To the Dealers

as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
England

EXHIBIT 5

"Gaceta Oficial" No. 131 dated July 7, 1961, page 13204

ras a que se refiere el anterior Por Cuanto, concurren circunstancias análogas a las constitutivas de las causas de utilidad pública y de interés social que justificaron la nacionalización de las empresas relacionadas en la Ley 890 de 1960.

Por Cuanto: La Disposición Transitoria única de la precitada Ley No. 890 de 13 de octubre de 1960, faculta a la Junta Central de Planificación para proceder, de acuerdo con los principios de dicha Ley, a la nacionalización de las empresas, no incluídas en la misma, que en la fecha de su promulgación se encontraban intervenidas por disposición de organismos estatales.

Por Tanto: En uso de las facultades que le están conferidas el Comité Ejecutivo de la Junta Central de Planificación acuerda dictar la siguiente:

Resolución

Primero: Se dispone la nacionalización mediante expropiación forzosa y, en consecuencia, se adjudican a favor del Estado Cubano en pleno dominio todos los bienes y empresas ubicadas en el territorio nacional y los derechos y acciones emergentes de la explotación de los mismos, cualesquiera que sean el título y modo de su disfrute, que pertenecen a las siguientes personas naturales o jurídicas:

1. Gasolinera Pintec, S. A.
2. Combustibles El Recodo, S. A.
3. Centro Comercial Palacios, S. A.
4. Comercial Garbo, S. A.
5. Fregadora de Autos de Cuba, S. A.
6. Servicentro Diana, S. A.
7. Moteres Cojímar, S. A.
8. Aluminio Estructural Cubano, S. A.
9. Industrial Siré, S. A.
10. Compañía Cajonera Cubana, S. A.
11. Minera Occidental Bosch, S. A.
12. Compañía Inspiración Cubana de Cobre, S. A.
13. Tintas Sinclair y Valentine de Cuba, S. A.
14. Distribuidora de Alta Costura Internacional, S. A.
15. Compañía Textilera Carnaldin, S. A.
16. Compañía Textil Doble Vía, S. A.
17. Compañía Moldeadora de Plásticos, S. A.
18. Distribuidora de Tabacos y Cigarros Monteman, S. A.
19. Industrial Alfarera Cubana.
20. Muebles de Arte de Mimbre, S. A.
21. Mueblería La Parisién, S. A.
22. Madorera Occidental, S. A.
23. Fundición de Metales Cadena, S. A.
24. Aguas de Mesa, S. A.
25. Republic Hosiery Mill, S. A. (en español: Fábrica de Tejidos República, S. A.)
26. Compañía Textil Cubanacán, S. A.
27. Pollack y Compañía S. A., exportadores de tabaco en rama.
28. Fábrica de Cigarros y Picaduras, Torres Gener Hermanos, S. A.
29. Cigarros H. Hupmann, S. A.
30. Fábrica de Cigarros y Tabacos de Trinidad y Hermanos, S. A.
31. Trinidad Industrial, S. A.
32. Fábrica de Cigarros Kim, S. A.
33. Compañía Nacional de Calzado Alex, S. A.
34. Compañía Calzado Toldré, S. A.
35. Compañía Fabril de Calzado Kino, S. A.
36. La Sin Rival, S. A. Pastas y Fideos.
37. Compañía Galletera Gilda, S. A.
38. Panificadora Pinova, S. A.
39. Textilera Amazona, S. A.
40. Tejas Infinitas, S. A.
41. Tambores Arbuckle de Cuba, S. A.
42. Minagrando, S. A.
43. Compañía Minera Bahía de Mon.
44. Compañía Minera Masvidal, S. A.
45. Empaques Cellopriut, S. A.
46. Nuevas Creaciones Textiles, S. A.
47. Empresas Petroleras Jones de Cuba, S. A.
48. Esso (Cuba) Inc.
49. Esso Standard (Cuba) Inc.
50. La Compañía Limitada de Texas (Indias Occidentales).
51. Compañía de Navegación Sinclair de Cuba.
52. Servicios Metropolitanos de Gas, S. A.
53. Compañía Comercial El Condado, S. A.
54. Refinería de Petróleo Santa María, S. A.
55. Panadería Billy, S. A.
56. Castañeda Montero, Fonseca, S. A.
57. Confecciones Paraná, S. A.
58. Textilera Versalles, S. A.
59. Curtidora Pombo, S. A.
60. Comercial La Curtiduría, S. A.
61. Hidro Eléctrica de Cumanayagua, S. A.
62. Compañía Cubana de Acumuladores, S. A.
63. Cigarrera Nacional, S. A.
64. Compañía Cubana Primadera, S. A.
65. Compañía Comercial Danpeco, S. A.
66. Tabacalera Moya, S. A.
67. Confecciones Oro, S. A.
68. Fábrica de Cigarros Camagüey, S. A.
69. Compañía Pepsi Cola de Cuba.
70. Compañía Embotelladora Metropolitana, S. A.
71. Compañía Embotelladora Corona Real Cola.
72. Compañía de Tabaco de Cuba, S. A.
73. Compañía Nacional de Acumuladores.
74. Partes de Autos Marca de Calidad, S. A. (Quality Braud Auto Part).
75. Inmobiliaria Arroyo Arenas, S. A.
76. Compañía Novedades Textiles, S. A.
77. Muebles Marvin, S. A.
78. Hijos de Domingo Méndez, Cigarros y Tabacos, S. A.
79. José Toraño y Cía., S. en C.
80. Martín Dosal y Cía.
81. Villamil, Santalla y Cía. S. L.
82. Compañía Comercial e Industrial Ermoto, S. A.
83. Fomento Eléctrico Rural, S. A.
84. Compañía Eléctrica Oriental Baracoa, S. A.
85. Jaruco Eléctrica.
86. Compañía Eléctrica del Noroeste, S. A.
87. Tenería Modelo, S. A.
88. Rafael Díaz Salazar (Salazar Muebles).
89. Juan J. Rodríguez e Hijos, S. L.
90. Aurelio Oliva Sánchez (Fundición Aurelio Oliva).
91. J. B. Díaz y Cía., S. en C.
92. Junco y Cía.
93. Leslie Pantin e Hijos.
94. Joaquín López (La Cristina, Panadería, Galletería y Dulcería).

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95. Esperanza Carrió Ajaray (Fábrica de Velas La Ideal).
96. Ramón Rodríguez e Hijos, S. en C.
97. Hijos de J. Cano y Cía.
98. Trajes Paramount, S. A. (Cía de Trajes Paramount).
99. Eugenia Behar Behar (Confecciones Allyson)
100. Hijos de Domingo Méndez, Cigarros y Tabacos, S. A.
101. Tabacalera Severino Jorge, S. A.
102. Productos Cubanos de Bayaro, S. A.
103. Reina y Susana Cohen Behar (Allon Original).
104. Taller de Confecciones Irma Monasterio.

Segundo: La Administración y dirección de las empresas que por la presente Resolución se adjudican al Estado Cubano, se asigna a los organismos que actualmente tienen a su cargo dichas empresas, los que podrán designar para cada una de ellas dos administradores que elijan, sin perjuicio de las facultades de la Junta Central de Planificación.

Tercero: Se autoriza expresamente a los organismos a que se refiere el Apartado anterior para que, mediante las oportunas Resoluciones, extiendan la nacionalización que por esta Resolución se dispone a cuantos bienes, empresas, derechos y acciones resulten vinculados o afines a los nacionalizados, cualquiera que sea el modo, forma y título de la vinculación o afinidad.

Cuarto: Se declaran como causas de utilidad pública y de interés social y nacional, así como de la necesidad de la expropiación, las expuestas en los Por Cuantos de la presente Resolución.

Quinto: De conformidad con lo dispuesto en el Artículo 7 de la Ley 890 de 1960, los medios y formas de pago que correspondan a las personas naturales o jurídicas afectadas por las expropiaciones que se disponen en esta Resolución, serán reguladas mediante una Ley.

Y para su publicación en la GACETA OFICIAL de la República, en cumplimiento de lo expresamente ordenado por el Cmdte. Raúl Castro Ruz, Vicepresidente de la Junta Central de Planificación, se expide la presente certificación en La Habana, a cinco de julio de mil novecientos sesenta y uno.

Regino G. Boti
Ministro de Economía
Secretario Técnico
Junta Central de Planificación

S—5365

CONSEJO SUPERIOR DE LA REFORMA URBANA

EDICTO

El Consejo Superior de la Reforma Urbana, ha dispuesto, en cumplimiento de lo preceptuado en el Artículo 40, en relación con el Artículo 42 de la Ley de Reforma Urbana, y de conformidad con el procedimiento establecido por el Acuerdo número 55, de 10 de enero del año en curso, emplazar como por el presente se emplaza a los señores que a continuación se relacionarán, promoventes de expedientes sobre indemnización por su condición de antiguos acreedores hipotecarios por ante la Delegación Provincial de la Reforma Urbana en Santa Clara, Las Villas, conforme con lo que autoriza el Artículo 37 de dicha Ley, para que se personen ante esa Delegación mediante escrito en el que deberán hacer sus alegatos y acompañar las pruebas documentales y proponer los testigos que estimen convenientes dentro del término de quince días hábiles contados a partir de este emplazamiento.

Expediente número 1, promovente Paulino Fernández Figueroa; expediente número 2, promovente Alejo Cañizares; expediente número 3, promovente Juan Antonio Romero; expediente número 4, promovente Isaura Rodríguez Díaz; expediente número 5, promovente María Luisa Treto Silverio; expediente número 6, promovente Rosario Correa Pedrera; expediente número 7, promovente María Isabel Morales; expediente número 8, promovente Juan F. Bendoiro González; expediente número 9, promovente César Pernas Salas; expediente número 10, promovente María Teresa Cornides Salva; expediente número 11, promovente María González Tellés; expediente número 12, promovente Belén Vitalina Fleites; expediente número 13, promovente Elena Bracelán Delgado; expediente número 14, promovente Manuel Paz Lago; expediente número 15, promovente Sergio Luis Pulido; expediente número 16, promovente Clara Luz Guerra Pérez de Alejo; expediente número 17, promovente Francisco Fleites Monteagudo; expediente número 18, promovente Abelardo Agüero Pichardo; expediente número 19, promovente Jesús Flores Fernández; expediente número 20, promovente Julián Machado Martí; expediente número 24, promovente Aurora Fondón y Zaraboso; expediente número 25, promovente Manuel Enrique García Valdés; expediente número 26, promovente Joaquín Sebares Acebal; expediente número 27, promovente Modesto Lucilo Pérez de Prado; expediente número 28, promovente Felipa Sosa Rubio; expediente número 29, promovente Rosa Cristina Ruiz del Valle; expediente número 30, promovente Ignacio Gustavo Machado Cárdenas; expediente número 31, promovente José Gutiérrez García; expediente número 32, promovente Serafín Ríos y Cruz; expediente número 33, promovente Rafael A. Díaz Canel Herrera; expediente número 41, promovente Manuela Gutiérrez Rodríguez; expediente número 42, promovente José Valle; expediente número 43, promovente Otilio González Palmero; expediente número 44, promovente María del Carmen Lahera y Pérez; expediente número 45, promovente Teodoro Alvarez Menéndez; expediente número 46, promovente Angela Margarita Brizuela; expediente número 47, promovente María del Rosario Carbonell Echemendía; expediente número 48, promovente Jacobo Stiefiel y Ramírez; expediente número 49, promovente Sebastián Sandalio Escofet; expediente número 50, promovente Antonio Reyes Reyes; expediente número 51, promovente Resti-

EXHIBIT 5A

Resolution

First: The Nationalization, by means of forced expropriation, is decreed, and consequently the Cuban State, in complete authority, is awarded all the interest in assets and business entities located in the national territory and the rights and actions arising from the exploitation of the same, whatever the interest, title or mode of their ownership, of the following natural persons or judicial entities:

. . . .

96. Ramón Rodriguez e Hijos, S. en C.

. . . .

Second: The administration and management of the companies that by this Resolution are awarded to the Cuban State, are assigned to the organizations that are currently in charge of said companies, which may appoint for each of them the administrators they choose without prejudice to the powers of the Central Planning Board.

Third: The organizations referred to in the previous Section are expressly authorized, by appropriate Resolutions, to extend the nationalization that this Resolution provides to as many assets, business entities, rights and stocks as are linked or related to those nationalized, whatsoever the form and title of the bond of affinity to the nationalized entities.

Fourth: By reason of this Resolution. As detailed, they are declared to be matters of public necessity and of social and national interest, as well as the need for the expropriation.

Fifth: In accordance with the provisions of Article 7 of Law 890 of 1960, the means and forms of payment which correspond to the individuals or legal entities affected by the expropriations provided in this Resolution will be regulated by Law.

And in compliance with the expressed orders of Commander Raúl Castro Rus, Vice President of the Central Planning Board that it be published in the OFFICIAL GAZETTE of the Republic, this certification is issued in Havana as of July 5, 1961.

Regino G. Boti
Minister of the Economy
Technical Secretary
Central Planning Board
S -5365

EXHIBIT 5B

Resolución

Primero: Se dispone la nacionalización mediante expropiación forzosa y, en consecuencia, se adjudican a favor del Estado Cubano en pleno dominio todos las bienes y empresas ubicadas en el territorio nacional y los derechos y acciones emergentes de la explotación de los mismos, cualquiera que sean el título y modo de su disfrute, que pertenecen a las siguientes personas naturales o jurídicas:

. . . .

96. Ramón Rodriguez e Hijos, S. en C.

. . . .

Segundo: La Administración y dirección de las empresas que por la presente Resolución se adjudican al Estado Cubano, se asigna a los organismos que actualmente tiene a su cargo dichas empresas, los que podrán designar para cada una de ellas los administradores que elijan sin perjuicio de las facultades de la Junta Central de Planificación.

Tercero: Se autoriza expresamente a los organismos a que se refiere el Apartado anterior para que, mediante las oportunas Resoluciones, extiendan la racionalización que por esta Resolución se dispone a cuantos bienes, empresas, derechos y acciones resulten vinculados o afines a los nacionalizados, cualquiera que sea el modo, forma y título de la vinculación o afinidad.

Cuarto: Se declaran como causas de utilidad pública y de interés social y nacional, así como de la necesidad de la expropiación, las expuestas en ellas. Por Cuantos de la presente Resolución.

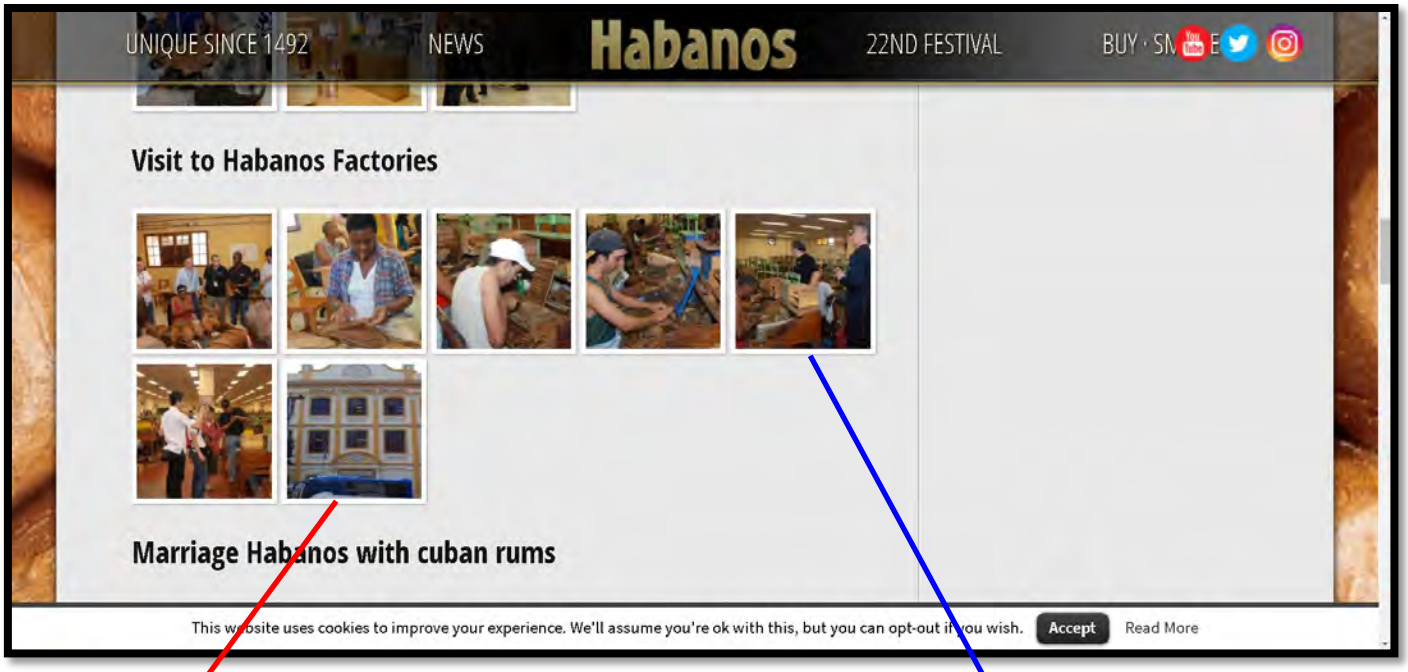
Quinto: De conformidad con lo dispuesto en el Artículo 7 de la Ley 890 de 1960, los medios y formas de pago que correspondan a las personas naturales o jurídicas afectadas por las expropiaciones que se disponen en esta Resolución, serán reguladas mediante una Ley.

Y para su publicación en la GACETA OFICIAL de la República, en cumplimiento de lo expresamente ordenado por el Cmdte. Raúl Castro Rus, Vicepresidente de la Junta Central de Plantificación, se expide la presente certificación en La Habana, a cinco de julio de mil novecientos sesenta y uno.

Regino G. Boti
Ministro de Economia
Secretario Técnieo
Junta Central de Planification
S -5365

EXHIBIT 6

http://www.habanos.com/en/festival-habanos-noticias/festivales/xi-festival-del-habano/galeria-de-imagenes-del-xi/



http://www.habanos.com/en/festival-habanos-noticias/festivales/xi-festival-del-habano/galeria-de-imagenes-del-xi/

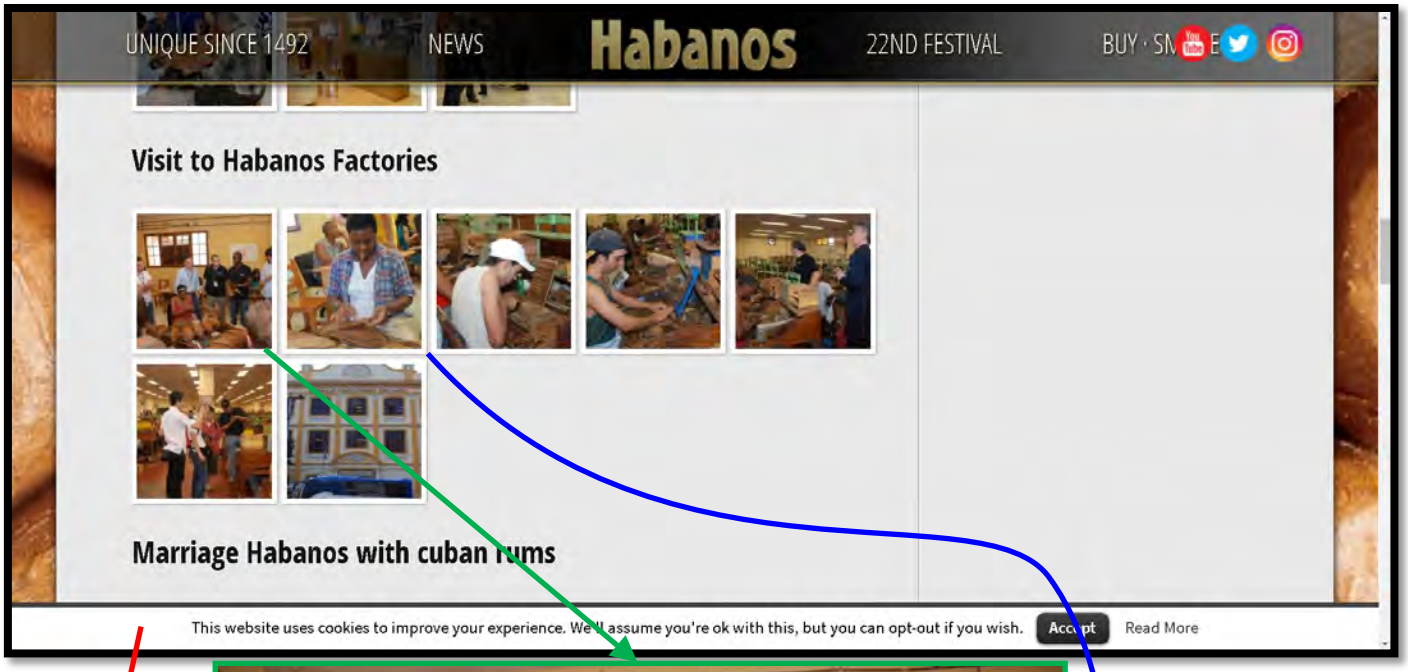


EXHIBIT 7

http://cubancigarsculturelifestyle.blogspot.com/2013/01/,

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

(Jury Trial Demanded)

LUIS MANUEL RODRIGUEZ, et al., Case No.: 1:20-cv-23287(DPG)(AMO)

Plaintiffs,

v.

IMPERIAL BRANDS PLC, et al.,

Defendants.
_____/

~~Amended Complaint~~
SECOND AMENDED COMPLAINT

Plaintiffs, LUIS MANUEL RODRIGUEZ, MARIA TERESA RODRIGUEZ, a/k/a MARIA TERESA LANDA, ALFREDO RAMON FORNS, RAMON ALBERTO RODRIGUEZ, RAUL LORENZO RODRIGUEZ, CHRISTINA CONROY, and FRANCISCO RAMON RODRIGUEZ, sue Defendants, IMPERIAL BRANDS PLC, CORPORACIÓN HABANOS, S.A., WPP PLC, YOUNG & RUBICAM LLC, and BCW LLC, a/k/a BURSON COHN & WOLFE LLC, and allege as follows:

Introduction

1. Plaintiffs (collectively, the "Rodriguez Family") are the heirs and successors of Ramón Rodriguez Gutiérrez ("RRG") and the owners of a 90% interest[1] in Ramón Rodriguez e

[1] ~~The remaining 10% interest is owned by two individuals who obtained their interest, by operation of law, through their deceased father, who was not a U.S. citizen as of 1996.~~

Hijos Sociedad en Comandita[2] ("RRHSC"). Before 1961, RRHSC owned and operated the former Partagás cigarette factory building (the "RRHSC Property") in Havana.[3]

2. In 1955, RRHSC erected a modern mixed-use building adjacent and connected to the main building of the Partagás factory at the corner of Calle 23 y 16 (23rd Street and 16th). The new building's structure included a ground level garage for the factory's fleet of trucks, a storage facility, a mezzanine suite of executive offices and a six-story tower, all of which ~~is~~are contained within the RRHSC Property.[4] Today, the RRHSC Property, rebranded "Empresa de Tabaco Torcido 'José Martí,'" prominently displays the names Tabacuba (the Cuban state tobacco monopoly company), La Vega (the Cuban state tobacco leaf monopoly company) and H. Upmann on its façade.[5]

3. After taking control of power in 1959, the Castro Regime and Cuba's communist government systematically "nationalized" the major privately-owned business enterprises in Cuba without compensation to the lawful owners of the property. In 1961, as part of its takeover of the entire tobacco industry, the Castro government confiscated ownership of RRHSC and the RRHSC Property. Before the RRHSC Property was confiscated, the Partagás factory produced world-

[2] Ramon Rodriguez and Sons, a Limited Partnership.

[3] A picture of Partagás cigarette boxes with a drawing of the Partagás (RRHSC) factory and a photograph of the factory believed to have been taken in the 1950s is shown at Composite Exhibit 1.

[4] A picture of the modern mixed-use building that was erected as an annex to the main Partagás cigarette factory is shown at Composite Exhibit 2. The photographs at Composite Exhibit 2 were taken in December 2019.

[5] Pictures of the modern façade are shown at Composite Exhibit 3.

renowned cigarettes under the Partagás brand and had grown to become the third largest manufacturer of cigarettes in Cuba with a 16.3% share of the market.

4. The Rodriguez Family are the owners of a "Claim" under the Cuban Liberty and Democratic Solidarity Act also known as the Helms-Burton Act (the "Liberty Act" or "Libertad Act") due to the Cuban government's confiscation and trafficking in the RRHSC Property.[6] The Liberty Act took effect in 1996:

> It is the purpose of statute to deter third party foreign investors from trafficking in the confiscated property (defined as '**purchas[ing] an equity interest in, manag[ing], or enter[ing] into joint ventures** using property and assets some of which were confiscated from United States nationals.')

Glen v. Club Mediterranee S.A., 450 F.3d 1251, 1255 (11th Cir. 2006) (emphasis added) (quoting 22 U.S.C. § 6081(5)); *see also* 22 U.S.C. § 6022(6) (Liberty Act is designed "to protect United States nationals against confiscatory takings and the wrongful trafficking in property confiscated by the Castro regime.").

5. In 2007, Defendant Imperial Brands PLC ("Imperial"), well-aware of the Liberty Act, purchased a company known as Altadis S.A ("Altadis"). At the time, Altadis had a "50% ownership interest in [Corporación Habanos~~]~~, S.A.], a company which distributes cigars manufactured in Cuba."[7]

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[6] ~~As a~~ A recent decision in this District quoted from the Liberty Act and an Eleventh Circuit opinion to describe the claims created by the Liberty Act. *See Havana Docks Corp. v. Royal Caribbean Cruises, Ltd.*, 19-CV-23590, 2020 WL 1905219, at *7 (S.D. Fla. Apr. 17, 2020) ("'[t]he ***Helms-Burton Act refers to the property interest that former owners of confiscated property now have as ownership of a 'claim to such property***.'" *Glen II* [*Glen v. Club Mediterranee S.A.*], 450 F.3d [1251] at 1255 [(11th Cir. 2006)] (quoting 22 U.S.C. § 6082(a)(1)(A)) (emphasis added); *see also id*. (noting that actions brought under Title III of the Liberty Act are "actions brought 'on a claim to the confiscated property' against traffickers in the property") (quoting 22 U.S.C. § 6082(a)(4)).

[7] *See* October 12, 2007, letter from Imperial to the SEC's Office of Global Security at 2.

6. Through its purchase of Altadis, Imperial acquired "ownership interests in Corporación Habanos S.A.,. as well as non-parties Altabana S.L., Promotora de Cigarros, S.L. and Internacional Cubana de Tabaco, S.A.," ("(collectively, the "Cuban Joint Ventures"). According to Imperial, the Cuban Joint Ventures collectively "manufacture, market, distribute and sell cigars manufactured in Cuba."[8]

7. Corporación Habanos S.A. ("Habanos") is a"), as well as non-parties Altabana S.L., Promotora de Cigarros, S.L. and Internacional Cubana de Tabaco, S.A., are joint venture companycompanies controlled by Cubathe Cuban government, directly or through Tabacuba. At all times relevant to the claims asserted by Plaintiffs in this action, financial interest in, and operational control of, Habanos was 50% owned by Cuba, through one or more Cuban-owned companies, and 50% owned by Imperial. The Cuban government at all times maintained ultimate control of Habanos.

8. Non-party Tabacuba is the Cuban government run monopoly that manages the growth, purchase and resale of all raw tobacco grown in Cuba.

9. Defendant Habanos is a legal person, corporate or otherwise, separate from Cuba, a majority of whose shares or other ownership interest, here ultimate control, is owned by Cuba or a political subdivision of Cuba. In the alternative, Habanos is an organ of the Cuban government that engages in public activity on behalf of the Cuban foreign government including marketing all

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(Copy attached as Exhibit 44A).

[8] *See* Imperial, *Prospectus* for "€15,000,000,000 Debt Issuance Programme," at 27 https://www.imperialbrandsplc.com/content/dam/imperial-brands/corporate/investors/debt-information/FY2020/Debt%20Issuance%20Programme%20%E2%80%93%20Prospectus%20(June)%202020.pdf. (Copy attached as Exhibit 4B).

Cuban tobacco products worldwide. Under the Liberty Act, Habanos is an instrumentality of the Cuban Government and is statutorily deemed to be the Cuban Government itself.[9]

10. At all relevant times, Imperial was a joint venture partner in Habanos. The Cuban Government, i.e., Habanos, is well-aware, and certainly "knows or should have known" that it confiscated RRHSC and the RRHSC Property and that it has continuously used the RRHSC Property for the purpose of production and shipping of millions of hand-rolled cigars (sold under various premium brand names) manufactured at the RRHSC Property, or manufactured at other nearby factories, and processed, stored, packaged, and shipped from the RRHSC Property.

11. The unauthorized and continuous use of the RRHSC Property by Imperial and Habanos also extended to Tabacuba's management of the day-to-day business of all or some Cuban tobacco products from offices it maintained in the RRHSC Property, including purchasing of raw tobacco from Cuban farmers and subsequent reselling the same to other entities in Cuba for further manufacture or use.

12. Some or all of the Cuban tobacco in the Cuban cigar products manufactured by Habanos and advertised or promoted by WPP, Y&R and BCW were purchased, managed and resold by Tabacuba from Tabacuba's offices at the RRHSC Property.

13. Imperial either inquired of its joint venture partner Tabacuba or should have inquired of Habanos regarding the ownership, and Cuba's acquisition, of the RRHSC Property

[9] *See* Liberty Act, 22 U.S.C. § 6023(5) (A) ("The term 'Cuban Government' ***includes*** . . . any ***agency or instrumentality of the Government of Cuba***.") (emphasis added); *see also* 22 U.S.C. § 6023(1) ("The term 'agency or instrumentality of a foreign state' has the meaning given that term in section 1603(b) of Title 28"); *see also* 28 U.S.C. § 1603(b) ("An 'agency or instrumentality of a foreign state' means any entity-- (1) ***which is a separate*** legal person, ***corporate or otherwise***, ***and*** (2) . . . ***a majority of whose*** shares or ***other ownership interest is owned by a foreign state*** or political subdivision thereof, and (3) which is neither a citizen of a State of the United States . . . nor created under the laws of any ***third country***.") (emphasis added).

used by Habanos and Tabacuba. In any event, Imperial is bound by the knowledge of its joint venture partner, Tabacuba and of Habanos, which knowledge should be deemed to be that of Imperial itself.

14. The WPP Defendants at all times acted as agents of Imperial or Habanos for the purpose of advertising, marketing and promoting Cuban Cigar products and the Habanos Brand name.

15. The WPP Defendants, as agents of Imperial or Habanos, either inquired of their principal (Imperial or Habanos), or should have inquired of their principal, regarding the ownership of the RRHSC Property used by Habanos and Tabacuba. In any event, the WPP Defendants are bound by the knowledge of their principal, which knowledge should be deemed to be that of the WPP Defendants themselves.

~~7.~~16. Habanos, and therefore Imperial, WPP, Y&R and BCW, either knew, or had reason to know, that all or some of the Cuban tobacco in the products manufactured, sold, advertised, or promoted by Habanos, Imperial, WPP, Y&R and BCW were purchased, managed or sold by Tabacuba from the RRHSC Property.

~~8.~~17. At all times from January 2008 until at least October 29, 2020, Imperial, both through Habanos and the other Cuban Joint Ventures, as well as through the Cuban tobacco monopoly company, Tabacuba, Imperial's joint-venture partner in Habanos, had the use of, and continued to use, the RRHSC Property without compensation to, or authorization from, the Rodriguez Family.

~~9.~~18. The unauthorized use of the RRHSC Property has included the production and shipping of millions of hand-rolled cigars (sold under various premium brand names) manufactured at the RRHSC Property, or manufactured at other nearby factories, and processed,

stored, packaged, and shipped from the RRHSC Property. The unauthorized use of the RRHSC Property by Imperial and Habanos also extended to Tabacuba's management of the day-to-day business of all or some Cuban tobacco products from offices it maintained in the RRHSC Property at all times from 2007 ~~or 2008~~ until at least October 29, 2020.[10] Both Habanos, and Imperial, through its financial interests in Habanos and the other Cuban Joint Ventures, benefitted from Tabacuba's continuous use of the RRHSC Property during the entire time that Imperial owned interests in the Cuban Joint Ventures. Imperial also benefitted from use of the RRHSC Property for marketing of Habanos' products.

~~10.~~19. All Defendants are liable to Plaintiffs under the Liberty Act for "trafficking"[11] because they participated in, or profited from, trafficking of the RRHSC Property by the Cuban government, through Tabacuba and its joint venture partner, Defendant Imperial. Tabacuba and Imperial trafficked in the RRHSC Property through their Cuban Joint Ventures, including Habanos, and the distribution network that Tabacuba and Imperial own.

~~11.~~20. Imperial and its partner Tabacuba, together with the Cuban Joint Ventures, also increased and expanded ~~their use of and~~ the benefit they received from trafficking in the RRHSC

[10] Tabacuba is the monopoly that purchases raw tobacco from Cuban farmers and entities located in Cuba and subsequently resells the tobacco to other entities in Cuba for further manufacture or use. Every piece of tobacco that comes from Cuba has at one point been purchased and later resold by Tabacuba.

[11] For purposes of the Act, a person "traffics" in confiscated property if that person "knowingly" and intentionally: (i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses, or otherwise acquires or holds an interest in confiscated property, (ii) engages in a commercial activity using or otherwise benefiting from confiscated property, or (iii) causes, directs, participates in, or profits from, trafficking (as described in clause (i) or (ii)) by another person, or otherwise engages in trafficking (as described in clause (i) or (ii)) through another person, without the authorization of any United States national who holds a claim to the property. *See* 22 U.S.C. § 6023(13).

Property by retaining agents to ~~market~~assist in the trafficking by marketing and ~~publicize~~publicizing the products managed from or produced or stored at the confiscated RRHSC Property. The agents retained by Imperial and Habanos include Defendant WPP PLC ("WPP"), through its U.S-based advertising agency subsidiaries, Defendants Young & Rubicam LLC ("Y&R"), ~~and~~ BCW LLC, a/k/a Burson Cohn & Wolfe LLC ("BCW~~").~~"), and non-party Ogilvy & Mather ("Ogilvy").

21. WPP, together with Y&R, BCW, Ogilvy, and other WPP subsidiaries, operates as a single company, (the "WPP Group" or similar). The entities under the WPP Group, including WPP, Y&R, BCW, and Ogilvy are part of a complex network that share resources and operate as a single entity. The WPP Group, acting nominally through Ogilvy, and later through Y&R and BCW, continuously trafficked in the RRHSC Property by marketing and publicizing the Cuban tobacco products made, stored, shipped or managed from the RRHSC Property since at least 2010 through October 2020.

~~12.~~22. Beginning no later than 2017, ~~Y&R and BCW~~all Defendants further increased their trafficking in the RRHSC Property when the WPP Group, nominally acting through Y&R and BCW, assisted in setting up, or directly set up, sponsored official "portals" for Imperial and its Cuban Joint Ventures to market Habanos products on the U.S.-based social media platforms Twitter, YouTube, and Instagram.[12]

[12] These portals include:
https://www.instagram.com/habanos_oficial/
https://twitter.com/Habanos_Oficial
https://www.youtube.com/channel/UCstGLy96wdZG7eCM4855_DA.

~~13. Imperial's agent, WPP, through Y&R, BCW, and previously through a third WPP subsidiary, Ogilvy, has continuously marketed and publicized the RRHSC Property and the Habanos' products made at and shipped from there since at least 2010 through October 2020.~~

23. In furtherance of Defendants' trafficking in the RRHSC Property, the WPP Group also set up multiple file share sites on internet domains nominally controlled by Y&R (YR.com) or by BCW (BM.com, an internet domain nominally controlled by BCW's predecessor, Burson-Marsteller). In addition, the WPP Group used multiple email addresses running through U.S.-based servers, including email running through the servers nominally controlled by Y&R (YR.com) and Ogilvy (the Ogilvy.com server, including an internet domain nominally controlled by Ogilvy & Mather).

Parties, Jurisdiction, and Venue

Parties

~~14.~~24. Plaintiffs Luis Manuel ~~Rodriguez, Maria Teresa~~ Rodriguez, Alfredo Ramon Forns, Ramon Alberto Rodriguez, Raul Lorenzo Rodriguez, and Francisco Ramon Rodriguez are individuals residing in Miami-Dade County, Florida.

25. At all times relevant hereto, Maria Teresa Rodriguez, was an individual residing in Miami-Dade County, Florida.

~~15.~~26. Plaintiff Christina Conroy is an individual residing in Montgomery County, Maryland.

~~16.~~27. Each Plaintiff was a U.S. citizen prior to 1996, and each is a U.S. National under 22 U.S.C. § 6023(15)(B).

~~17.~~28. Until the time that RRHSC and the RRHSC Property were confiscated by Cuba in 1961, RRG owned and controlled RRHSC. Two of RRG's sons, Plaintiff Luis Manuel Rodriguez

and Raul Bernardo Lupo Rodriguez ("RBLR"), who is now deceased, were involved in managing the RRHSC business prior to confiscation and owned small minority interests in RRHSC.

~~18.~~29. Plaintiff Luis Manuel Rodriguez is the last surviving son of RRG. He obtained his interest in the Claim through RRG's will upon RRG's death in 1964 and the minority interest that he owned in RRHSC.

~~19.~~30. Plaintiff Maria Teresa Rodriguez, a/k/a Maria Teresa Landa, ~~is~~was the last surviving daughter of RRG. She obtained her interest in the Claim through RRG's will upon RRG's death in 1964.

~~20.~~31. Plaintiff Alfredo Ramon Forns is the only child of RRG's daughter, Maria Mercedes Rodriguez ("MMR"). MMR, who was a U.S. citizen prior to 1996, obtained her interest in the Claim through RRG's will upon RRG's death in 1964. MMR was a Florida resident prior to and at the time of her death in 2013, when she died intestate. Plaintiff Alfredo Ramon Forns obtained his interest in the Claim by operation of law upon MMR's death.

~~21.~~32. Plaintiff Ramon Alberto Rodriguez is the son of Ramon Francisco Rodriguez, ("RFR") who predeceased RRG. Plaintiff Ramon Alberto Rodriguez obtained his interest in the Claim through RRG's will upon RRG's death in 1964.

~~22.~~33. Plaintiffs Raul Lorenzo Rodriguez and Francisco Ramon Rodriguez are the sons of RBLR, and Christina Conroy is the only child of Alex Lorenzo Rodriguez ("ALR"), the third son of RBLR. ALR predeceased RBLR. RBLR obtained his interest in the Claim through RRG's will upon RRG's death in 1964 and the minority interest that he owned in RRHSC. RBLR was a Florida resident prior to and at the time of his death in 1986, when he died intestate. Plaintiffs Raul Lorenzo Rodriguez, Francisco Ramon Rodriguez, and Christina Conroy obtained one-half of their interest in the Claim by operation of law upon RBLR's death. The other half of RBLR's interest in the

Claim was transferred by operation of law to his wife Esther Beltran Rodriguez ("EBR") upon RBLR's death. EBR, who was a U.S. citizen prior to 1996, passed her interest in the Claim to Plaintiffs Raul Lorenzo Rodriguez, Francisco Ramon Rodriguez, and Christina Conroy through her will upon EBR's death in 2019.

~~23.~~34. Upon information and belief, Defendant Imperial~~,~~ is a limited liability company incorporated in England and Wales, having its principal place of business in England.

~~24.~~35. Upon information and belief, Defendant Habanos is a Cuban joint venture corporation controlled by Cuba. At all times from January 2008 through October 29, 2020, Imperial owned a 50% financial interest in Habanos, either directly or through one or more subsidiaries, the other 50% financial interest was owned by the Cuban government, either directly or through one or more Cuban-controlled entities. According to Imperial, "The international marketing of Cuban hand-made cigars is carried out through Habanos S.A., in which we have a 50 per cent stake."[13]

~~25.~~36. ~~Upon information and belief,~~ Defendant WPP PLC ("WPP"), is a limited liability company incorporated in the Bailiwick of Jersey~~.~~ with "dual-headquarters in London and New York City"[14], and thus maintains a principal place of business in New York.[15] WPP earns more

[13] *See* https://www.imperialbrandsplc.com/about-us/our-companies/tabacalera.html

[14] *See* SEC Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order at 2, ¶ 3, available at https://www.sec.gov/litigation/admin/2021/34-93117.pdf.

[15] *See id.; see also* WPP Form 20-F filing with SEC for year ended 12/31/2020 ("WPP Form 20-F Filing") at 9 (WPP has "principal offices in London and New York"), available at https://www.sec.gov/Archives/edgar/data/806968/000119312521138800/d10820d20f.htm .

of its income from the U.S than any other country.[16] WPP also leases over 2.8 million square feet of office space in the U.S.[17]

26.37. Upon information and belief, Defendant Young & Rubicam LLC ("Y&R"), is a limited liability company incorporated inorganized and existing under the laws of the State of Delaware having its principal place of business in New York. Y&R is a subsidiary of WPPqualified to do business in the State of Florida and has offices in Miami-Dade County. Y&R is also qualified to do business in the State of New York.

38. Y&R LLC is a limited liability company organized and existing under the laws of the State of New York and is the alter ego for Y&R and vice versa. Confusingly, Y&R also does business through its identity as Y&R LLC and vice versa.

27.39. Upon information and belief, Defendant BCW LLC, a/k/a Burson Cohn & Wolfe LLC ("BCW"), is a limited liability company incorporated in Delaware having its principal place of business in New York. BCW is a subsidiary of WPP and has offices in Miami-Dade County.

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[16] *See* WPP Form 20-F filing with SEC for year ended 12/31/2017 at 10, https://www.sec.gov/Archives/edgar/data/806968/000119312518141442/d462033d20f.htm *See* WPP Form 20-F filing at 8-9.

[17] *See id*. at 12.

Jurisdiction and Venue

~~28.~~40. Plaintiffs' claim arises under 22 U.S.C. § 6021, et seq., and the amount in controversy exceeds the sum or value of $50,000, exclusive of interest, costs, and attorneys' fees. Therefore, this Court has subject matter jurisdiction (federal question) pursuant to 28 U.S.C. § 1331.

~~29.~~41. As further set out below, Habanos committed tortious acts in Miami-Dade County, Florida. In particular: (1) Habanos leases, possesses, controls, manages, uses, or otherwise acquired or holds an interest in the confiscated RRHSC Property[18]; (2) Habanos has engaged and continues to engage "in a commercial activity using or otherwise benefiting from" the RRHSC Property confiscated by Cuba[19]; and (3) Habanos "causes, directs [or] participates in . . . trafficking" by Imperial, the WPP Group, including WPP, Y&R, and BCW, and by non-~~defendants~~parties, Ogilvy, Twitter, YouTube, and Instagram.[20] The trafficking was furthered through the use of US websites, internet domains and other US Services described more fully below. These acts have caused damage to Plaintiffs, ~~six~~five of whom reside in Florida.

42. As set forth in this complaint, the RRHSC Property was confiscated by the Cuban government and is currently owned or controlled by Habanos or Tabacuba, each of which is an agency or instrumentality of the Cuban government[21], or an organ of the Cuban government. As set forth in this complaint, this action is based upon a commercial activity carried on in the United

[18] *See* 22 U.S.C. § 6023(13)(A)(i).

[19] *See* 22 U.S.C. § 6023(13)(A)(ii).

[20] *See* 22 U.S.C. § 6023(13)(A)(iii).

[21] *See* n. 8, *supra*.

States by Habanos through its agents, and acts performed in the United States in connection with Habanos' commercial activity, or upon acts performed outside the United States in connection with a commercial activity of the Cuban government that causes a direct effect in the United States, specifically, advertising, marketing and trafficking, of tobacco products that were purchased, sold, manufactured, packaged or marketed from the RRHSC Property, through agents WPP Group, WPP, Y&R, BCW, Ogilvy, Twitter, YouTube, and Instagram. The trafficking was furthered through the use of US websites, internet domains and other US Services described more fully below. Habanos is not immune to the jurisdiction of this Court pursuant to 28 U.S.C. §1605(a)(2).

43. Pursuant to 22 U.S.C. § 6082 (Section 302 of the HBA) service of process on an agency or instrumentality of a foreign state in the conduct of a commercial activity, or against individuals acting under color of law, shall be made in accordance with section 1608 of Title 28. Pursuant to Fed. R. Civ. P. 4(j)(1) and 28 U.S.C. §1608, as an agency or instrumentality of the Cuban government, Habanos is properly served by "Serving a Foreign, State, or Local Government."

~~30.~~44. As further set out below, Imperial committed tortious acts in Miami-Dade County, Florida. In particular, Imperial through its ownership interest in Habanos: (1) leases, possesses, controls, manages, uses, or otherwise acquired or holds an interest in the confiscated RRHSC Property[22]; (2) has engaged and continued, at least until October 2020, to engage "in a commercial activity using or otherwise benefiting from" the RRHSC Property confiscated by Cuba[23]; and (3) "causes, directs [or] participates in, or profits from, trafficking" by Habanos and other joint venture

[22] *See* 22 U.S.C. § 6023(13)(A)(i).

[23] *See* 22 U.S.C. § 6023(13)(A)(ii).

companies owned by Imperial and Tabacuba, including the Cuban Joint Ventures and Altabana, S.L.[24], as well as by the WPP Group, WPP, Y&R, BCW, Ogilvy, Twitter, YouTube, and Instagram.[25] The trafficking was furthered through the use of US websites, internet domains and other US Services described more fully below. In addition, Imperial has further profited from the confiscated RRHSC Property through its recent sale of some or all of its interests in Habanos and the other Cuban Joint Venture companies owned by Imperial and Tabacuba~~,~~ involved in the management, manufacture, sale, marketing, and distribution of Cuban tobacco products that have value at least in part as a result of their engagement "in a commercial activity using or otherwise benefiting from" the confiscated RRHSC Property. These acts have caused damage to Plaintiffs, ~~six~~five of whom reside in Florida.

~~31.~~45. As further set out below, WPP committed tortious acts in Miami-Dade County, Florida. ~~In particular,~~ WPP through its ownership in and its control of ~~Y&R~~the WPP Group, including WPP, Y&R, BCW and ~~BCW~~Ogilvy "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, Y&R, BCW, Twitter, YouTube, and Instagram.[26] This trafficking was conducted in part through the use of US websites, internet domains and other US Services described more fully below. These acts have caused damage to Plaintiffs, ~~six~~five of whom reside in Florida.

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[24] Altabana is a joint venture corporation 50% owned by Imperial, either directly or through one or more subsidiaries, and 50% owned by Cuba or Cuban-controlled entities. According to Imperial, Altabana holds ~~Imperials~~Imperial's "investments in subsidiary companies involved in the marketing and sale of Cuban cigars." *See* Imperial 2019 Annual Report at 166.

[25] *See* 22 U.S.C. § 6023(13)(A)(iii).

[26] *See* 22 U.S.C. § 6023(13)(A)(iii).

46. ~~Both Y&R and BCW have made nearly identical statements to~~ Upon information and belief, WPP itself has few if any direct employees. Instead, WPP uses employees of the ~~effect that the "name~~ various WPP affiliates in the WPP Group to supervise and ~~brand," BCW or Y&R, "are also used by several distinct~~control the entirety of the WPP Group. The members of the WPP Group share resources, act as alter egos for one another and ~~legally separate~~together constitute a constructive joint venture. Among other things, "WPP centrally coordinated the group's financial matters, reporting, control, treasury, tax, mergers, acquisitions, investor relations, legal affairs and internal audit from its headquarters."[27]

47. Upon information and belief, Y&R, together with other subsidiaries of WPP ~~plc that~~("affiliates"), operate ~~outside of~~ as a single company, under the ~~US."~~ name "VMLY&R".

48. Upon information and belief, Y&R ~~was~~and its affiliates operating under the name "VMLY&R" share resources, act as alter egos for one ~~of the largest independent advertising~~another and together constitute a constructive joint venture.

49. Upon information and belief, Y&R directly benefits by having other companies ~~in~~operate under the ~~world before being acquired~~name "VMLY&R", "Y&R" and/or "Young & Rubicam" as it presents the image of a large, wide reaching, and multifaceted international company to the general public and specifically to Y&R clients.

50. Upon information and belief, BCW, together with other subsidiaries of WPP ("affiliates"), operates as a single company, under the name "BCW"

[27] *See* SEC Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order at 3, ¶ 5, available at https://www.sec.gov/litigation/admin/2021/34-93117.pdf.

51. Upon information and belief, BCW and its affiliates operating under the name "BCW", share resources, act as alter egos for one another and together constitute a constructive joint venture.

52. Defendant BCW has also done business under the name "Young & Rubicam" and "Young & Rubicam Group."

53. Upon information and belief, BCW directly benefits by ~~WPP.[28] BCW's predecessor, Burson-Marsteller,~~having its affiliates conduct business and operate under the name "BCW", as it presents the image of a large, wide reaching, and multifaceted international company to the general public and specifically to BCW clients.

54. Upon information and belief, WPP, Y&R, BCW, and the WPP Group also ~~existed as an independent company for many years. Upon information and belief, Y&R and BCW each continues to have and to acquire their own subsidiaries,~~use the unincorporated trade name "Young & Rubicam Group," or "Y&R Group," (collectively, "Y&R Group") among other things, to: (1) purchase Internet, email, and other networking and telecom services in the United States ("US Services"), including the "~~distinct and legally separate~~YR.com," " BM.com," and "Ogilvy.com" Internet domains, social media "portals" operated by Twitter, Instagram, and YouTube, networking and other services provided through Microsoft, and other services sold by US companies; (2) distribute US Services among WPP, Y&R, BCW, Ogilvy, and other affiliates in the WPP Group; and (3) market and sell WPP Group products and services, including through the

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~~[28] *See Young & Rubicam Agrees to $5.7 Billion Takeover by WPP*, N.Y. Times, May 9, 2000, https://www.nytimes.com/2000/05/09/business/young-rubicam-agrees-to-5.7-billion-takeover-by-wpp.html~~

use of US Services, to clients worldwide, including Habanos, the Cuban Joint Ventures and other Cuban Government entities.

32.55. The sale of U.S. Services to the Cuban Government, including Habanos and the Cuban Joint Ventures, is prohibited by law including the Cuban Assets Control Regulations, 31 C.F.R. Part 515 ("CACRs").[29] U.S. companies, including the U.S. companies that provide the U.S. Services that the WPP Group purchases for distribution to WPP subsidiaries" that use their respective "name and brand."[30] for resale to clients worldwide, including Habanos, the Cuban Joint Ventures and other Cuban Government entities, expressly prohibit the sale of those services to Cuba.[31]

33.56. The trafficking by WPP, Y&R and BCW at issue here is in the form of marketing, merchandizing, branding, or advertising services for the benefit of the Cuban government and the companiesentities it controls, including Habanos. and the Cuban Joint Ventures. That conduct istrafficking was conducted, in part, through US websites, internet domains and other US Services,

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[29] *See* 31 C.F.R § 515.206 (excluding from "exempt transactions" the: "provision of marketing and business consulting services" and "provision of services to market, produce or co-produce, create or assist in the creation of information or informational materials.").

[30] *See, e.g., Y&R acquires Swiss advertising agency*, https://www.wpp.com/news/2003/01/yampr-acquires-swiss-advertising-agency; *Burson-Marsteller agrees to acquire majority stake in Effect PR in Turkey*, https://www.wpp.com/news/2016/04/burson-marsteller-agrees-to-acquire-majority-stake-in-effect-pr-in-turkey

[31] For example, Microsoft states that "***All Microsoft Online Services***," including Office 365, "***are unavailable in Cuba***." *See* Microsoft.com "International availability" (emphasis added) available at: https://www.microsoft.com/en-us/microsoft-365/business/international-availability; *see also* Google Workspace Terms of Service ("3.3 ***Restrictions***. ***Customer*** will not, and ***will not allow End Users to*** . . . (d) access or ***use the Services*** . . . (vii) ***in a manner that breaches, or causes the breach of, Export Control Laws***.") (emphasis added) available at: https://workspace.google.com/terms/premier_terms.html.

in violation of both the Liberty Act~~ and also~~. This conduct is not exempted by the ~~Cuban Assets Control Regulations, 31 C.F.R. Part 515 ("CACRs").[32] The~~ CACRs, which apply to all "person[s] subject to the jurisdiction of the United States," including corporations owned by U.S. companies, such as Y&R~~ and BCW.~~, BCW, Ogilvy and the subsidiaries those US companies own and control. The CACRs apply equally to WPP and its direct and indirect subsidiaries. [33]

~~34.~~57. Y&R, either directly or through its affiliates, committed tortious acts in Miami-Dade County, Florida.~~ In particular,~~ Y&R "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, Twitter, YouTube, and Instagram.[34] That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs. These acts have caused damage to Plaintiffs, ~~six~~five of whom reside in Florida.

~~35.~~58. BCW, either directly or through its affiliates, committed tortious acts in Miami-Dade County, Florida.~~ In particular,~~ BCW "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, Twitter, YouTube, and Instagram.[35] That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs. These acts have caused damage to Plaintiffs, ~~six~~five of whom reside in Florida.

~~[32] *See* 31 C.F.R § 515.206 (excluding from "exempt transactions" the: "provision of marketing and business consulting services" and "provision of services to market, produce or co-produce, create or assist in the creation of information or informational materials.").~~

[33] *See* 31 C.F.R § 515.329(c)-(d); *see also* 50 U.S.C. app. § 5(b)(1); *Odebrecht Const., Inc. v. Sec'y, Fla. Dep't of Transp.*, 715 F.3d 1268, 1281–82 (11th Cir. 2013).

[34] *See* 22 U.S.C. § 6023(13)(A)(iii).

[35] *See* 22 U.S.C. § 6023(13)(A)(iii).

59. WPP, either directly or through its affiliates, including the WPP Group, Y&R, BCW, and Ogilvy committed tortious acts in Miami-Dade County, Florida. WPP "causes, directs [or] participates in, or profits from, trafficking" by Imperial, Habanos, the WPP Group, Y&R, BCW, and Ogilvy, Twitter, YouTube, and Instagram.[36] That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs. These acts have caused damage to Plaintiffs, five of whom reside in Florida.

~~36.~~60. Imperial knew in 2007, years after the passage of the Liberty Act, when it purchased its interest in Habanos and the other Cuban Joint Ventures engaged in trafficking in property confiscated by the Cuban government, that Habanos' operations would "be restricted . . . by the nationality of the personnel that" Imperial could "involve in" the Cuban cigar business that it decided to acquire, whose business was based on trafficking in property confiscated by the Cuban government.[37]

~~37.~~61. Notwithstanding, Imperial decided, beginning no later than 2010 and continuing at least through October 2020, to retain, either directly or through Habanos, WPP, the WPP Group and its U.S.-based corporate agents, Ogilvy and later Y&R and BCW, to engage in the marketing of, i.e., trafficking in, Cuban cigars managed from, or manufactured at, stored in, or distributed from, the confiscated RRHSC Property. In addition, no later than 2017, Imperial also decided, either directly or through Habanos, WPP ~~or its~~, the WPP Group and U.S. Corporate Agents, to

[36] *See* 22 U.S.C. § 6023(13)(A)(iii).

[37] *See* Imperial's October 12, 2007 "Response" to SEC inquiry at 2 (acknowledging that by acquiring "Altadis' 50% ownership interest in [Habanos] a company which distributes cigars manufactured in Cuba," Imperial "may be restricted . . . by the nationality of the personnel that we involve in these activities. In particular, Altadis' cigar operations in Cuba could be materially limited by the operation of the" the Liberty Act). Copy attached at Exhibit 4; *see id*. at 4 ("Altadis owns a 50% interest in Habanos, the remaining 50% of which is owned by the Cuban state.")

contract for the use of social media "portals" operated by still additional U.S. corporations. These corporations include Twitter, Instagram and YouTube[38], all for the purpose of furthering Imperial and Habanos' ability to profit from the trafficking of property confiscated by the Cuban government, including the RRHSC Property. That trafficking was conducted, in part, through US websites, internet domains and other US Services, in violation of both the Liberty Act and the CACRs.

~~38.~~62. WPP similarly knew that its extensive U.S. business activities, conducted both directly and through its many wholly-owned subsidiaries, including Ogilvy, Y&R, BCW, WPP USA and ~~BCW~~the WPP Group, and the additional subsidiaries owned and controlled by these U.S. companies, would render it "subject to the laws of the US . . . that impose sanctions and regulate the supply of services to certain countries." [39] These laws include, of course, the Liberty Act. WPP nevertheless decided to involve these ~~three~~ U.S. subsidiaries, or the subsidiaries of these WPP subsidiaries, in marketing and publicizing products produced at, stored in and shipped from, the confiscated RRHSC Property. WPP thereafter ~~used~~directed or allowed its U.S. subsidiaries, including Y&R, BCW, WPP USA and the WPP Group, to ~~contract for the~~ use ~~of~~ US Services,

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[38] The sponsored official social media "portals" established by Twitter, Instagram, and YouTube are not exempted by the Liberty Act nor by the Cuban Assets Control Regulations, 31 C.F.R. Part 515. *See* 31 C.F.R. § 515.578(a) (authorizing the exportation to Cuba of "services incident to the exchange of communications over the internet, such as . . . social networking [and] sharing of photos" but only if "such services are widely available to the public ***at no cost to the user***") (emphasis added); *id.*, §515.578(b)(1) (expressly excluding from authorized services the: "direct or indirect exportation . . . of services with knowledge or reason to know that such services are intended for . . . ***organizations administered or controlled by the Government of Cuba***.") (emphasis added); *see also* 31 C.F.R § 515.206.

[39] *See* WPP Form 20-F filing with SEC for year ended 12/31/2017 at 5, https://www.sec.gov/Archives/edgar/data/806968/000119312518141442/d462033d20f.htm (disclosing ~~busines~~business "risks" and acknowledging that: "Failure to comply with these laws could expose the Group [WPP] to civil and criminal penalties . . ..")

including YR.com, BM.com, Ogilvy.com, and the social media "portals" operated by still additional U.S. corporations, Twitter, Instagram and YouTube, for the purpose of trafficking in the RRHSC Property, including providing marketing and advertising services for Habanos through US Services.

39.63. Each of the acts described in paragraphs 29 – 3840 – 62, above, constituted trafficking in violation of the Liberty Act. Further, each act of trafficking in the RRHSC Property caused damage to Plaintiffs, sixfive of whom reside in Miami-Dade County.

40.64. Due to their extensive use of U.S. Corporate agentsUS Services to market, publicize and assist in the trafficking, in violation of the Liberty Act, of propertyRRHSC Property confiscated by the Cuban government, including through U.S. Agents using US Services in violation of the Liberty Act and the CACRs, Defendants Habanos, Imperial and WPP should reasonably have anticipated the possibility that they would be sued in the United States by U.S. Nationals holding claims to property confiscated by the Cuban government, including this lawsuit on the Claim to the RRHSC Property.

41.65. Due to their actions described above, all Defendants should further have reasonably anticipated the possibility that they would be sued in the Southern District of Florida, which is widely-known to be home to over a million Cuban refugees and their successors, many of whom are U.S. Nationals owning claims to property confiscated by the Cuban government.

42.66. This Court has personal jurisdiction over each Defendant pursuant to the Florida "long-arm" statute, Section 48.193(1)(a), Florida Statutes, because each Defendant committed a tortious act within this state, either directly or through an agent, and the cause of action asserted against each Defendant arises from that tortious conduct.

67. This Court also has personal jurisdiction over Y&R pursuant to the Florida "long-arm" statute, Section 48.193(2), Florida Statutes. At all times relevant hereto, Y&R has engaged in substantial and not isolated activity in the State of Florida such that exercising general jurisdiction over Y&R does not offend the notions of due process. Y&R filed for, and was granted, authority to transact business in the State of Florida since 2018; prior to 2018, one of Y&R's alter egos, Young & Rubicam Inc. (a Delaware Corporation), was qualified to do business in Florida from 1998 to 2018; prior to that, another one of Y&R's alter egos, Young & Rubicam Inc. (a New York Corporation), filed for, and was granted, authority to transact business in Florida from 1995 to 1997. Y&R, together with its alter egos, has had a constant presence in Florida since at least 1995. Upon information and belief, Y&R derived significant income from the State of Florida, either directly or through its alter egos. Upon information and belief, Y&R, directly or through one of its alter egos, either owned or leased one or more properties in the State of Florida from 1995 to 2020.

68. This Court also has personal jurisdiction over BCW pursuant to the Florida "long-arm" statute, Section 48.193(2), Florida Statutes. At all times relevant hereto, BCW has engaged in substantial and not isolated activity in the State of Florida such that exercising general jurisdiction over BCW does not offend the notions of due process. Burson-Marsteller, LLC, the predecessor to BCW, filed for, and was granted, authority to transact business in the State of Florida in 2003. In 2018, Burson-Marsteller, LLC filed an amendment to its certificate to transact business in Florida reflecting that the company had changed its name to BCW LLC (and if the name is unavailable, it would use Burson Cohn & Wolfe LLC as an alternate name of transacting business in Florida), and as of 2021, BCW remains authorized to business in Florida. Upon information and belief, BCW has had a constant presence in Florida since at least 2003 through at

least the end of 2020. Upon information and belief, BCW derived significant income from the State of Florida. Upon information and belief, BCW, directly or through one of its affiliates, either owned or leased one or more properties in the State of Florida from 2003 to 2020.

69. This Court also has personal jurisdiction over WPP pursuant to the Florida "long-arm" statute, Section 48.193(2), Florida Statutes. Upon information and belief, WPP operating through one or more of its subsidiaries has engaged in substantial and not isolated activity in the State of Florida such that exercising general jurisdiction over WPP does not offend the notions of due process.

~~43.~~70. In the alternative, if Defendants are deemed not to have sufficient contacts with Florida despite their commission of multiple acts of trafficking in violation of the Liberty Act causing damage to Plaintiffs in Florida, ~~Defendants~~those Defendants who are not subject to the jurisdiction of any other State within the United States, are nevertheless subject to personal jurisdiction under the federal "long-arm" statute set out in Rule 4(k) of the Federal Rules of Civil Procedure.[40] If Defendants' personal contacts with any single state are not sufficient to subject them to personal jurisdiction in any particular state, Rule 4(k) allows the Court to consider a defendant's contacts with the U.S. as a whole where the claim asserted against the defendant arises under federal law. Plaintiffs' claim here arises under the federal Liberty Act. Therefore, Defendants' contacts with the U.S. as a whole, including Imperial, Habanos and WPP's reliance on Y&R, BCW, and US Services, including Twitter, YouTube, and Instagram to conduct

[40] Rule 4(k) provides in relevant part: "(2) For a claim that arises under federal law, serving a summons . . . establishes personal jurisdiction over a defendant if: (A) the defendant is not subject to jurisdiction in any state's courts of general jurisdiction; and (B) exercising jurisdiction is consistent with the United States Constitution and laws."

marketing and social media campaigns in violation of the Liberty Act, are sufficient to satisfy the applicable constitutional requirements.

~~44.~~71. Venue is proper in the Southern District of Florida under 28 U.S.C. §§ 1391(b)(2) and 1391(d), because a substantial part of the events or omissions giving rise to Plaintiff's claims occurred in the Southern District of Florida.

Facts

~~45.~~72. Plaintiffs are U.S. Nationals as defined by the Libertad Act. *See* 22 U.S.C. § 6023(15).

~~46.~~73. The RRHSC Property was owned and improved by RRHSC until the Cuban Government confiscation in 1961.

~~47.~~74. As part of its takeover of the entire tobacco industry, the Castro government confiscated ownership of RRHSC and the RRHSC Property on June 30, 1961.[41]

~~48.~~75. The communist Cuban Government maintains possession and control of the RRHSC Property and has not paid any compensation to Plaintiffs, or their predecessor RRG, for its seizure. Nor has any claim to the RRHSC Property been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure.

~~49.~~76. Plaintiffs are the rightful owners of the Claim arising from Cuba's "nationalization" and uncompensated taking of the RRHSC Property.

[41] On June 30, 1961, by decision of the "Junta Central de Planificación," Cuba's Central (Economic) Planning Board, Cuba's communist government confiscated ownership of RRHSC as part of it takeover of the entire tobacco industry. *See* excerpt at Exhibit 5; English translation of excerpt at Exhibit 5A; Spanish text of excerpt at Exhibit 5B. The Junta Central de Planificación's decision and proclamation appears in Cuba's government register, the "Gaceta Oficial," No. 131 dated July 7, 1961, page 13203.

~~50.~~77. Upon information and belief, Imperial acquired its interest in Habanos in 2007 when it acquired "Altadis' 50% ownership interest in" Habanos "a company which distributes cigars manufactured in Cuba." Imperial knew that Cuba, its joint venture partner in Habanos ~~and~~, Altabana, ~~Cuba~~and the Cuban Joint Ventures (through its monopoly company, Tabacuba), acquired its interest in and control over the Cuban tobacco industry and the RRHSC Property by "nationalizing" assets when the rightful owners of the property fled the brutal Castro dictatorship.

~~51.~~78. The RRHSC Property is currently in the exclusive control of the Cuban government through Tabacuba and Imperial's (now presumably former) joint venture ~~partner~~partnership, Habanos. Upon information and belief, Tabacuba and Habanos have continuously used the RRHSC property without authorization from the Rodriguez Family since at least 2010, and likely for many years before that, until the present.[42]

~~52.~~79. The unauthorized use of the RRHSC Property includes the management, production, storage, and shipping of millions hand-rolled cigars (sold under various premium brand names) and other tobacco products manufactured at the property, or manufactured at other nearby factories, and stored, processed or shipped from the RRHSC Property. Imperial and Habanos' trafficking also includes use of the RRHSC Property for marketing and publicity of Habanos' products.[43] The RRHSC Property, of course, is in Cuba which remains under the control of the same regime that confiscated the property.

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[42] The photographs at Composite Exhibit 2 were taken in December 2019 and show the Tabacuba offices at the RRHSC Property occupied, as well as vehicles outside of two loading docks at the property.

[43] *See* Composite Exhibit 6 containing pictures published by the Habanos website of "visit the factories" tours promoted by Habanos at the RRHSC Property. Exhibit 7 is a picture of the loading dock at the RRHSC Property in operation.

~~53.~~80. Habanos itself documented its possession, control of, management, and use of the RRHSC Property. In a February 2010 publicity piece entitled: "Cigar Factory Readings and Readers," Habanos referred to the factory (the RRHSC Property) "Standing on famous 23rd Street in Havana's bustling Vedado neighborhood right between the 14th and 16th streets," as the "humongous and modern H. Upmann cigar factory."[44] The continuous use of the RRHSC Property includes the use of a portion of the RRHSC Property by Imperial's joint venture partner, Tabacuba, for its executive offices for the management of the Cuban tobacco business, and the use of the loading dock[45] and space for warehousing and shipping Habanos' products. Tabacuba's name appears prominently on the building.[46]

~~54.~~81. Imperial, Habanos, and Tabacuba, (collectively, the "Direct Traffickers") knowingly and intentionally lease, possesses, control, manage, use, or otherwise acquired or hold an interest in the confiscated RRHSC Property, without the authorization of the Rodriguez Family. Each also has engaged and continues to engage in a commercial activity using or otherwise benefiting from the confiscated RRHSC Property without the authorization of the Rodriguez Family.

~~55.~~82. Imperial and its partner Tabacuba, through the joint venture companies they jointly control, have expanded their use of and benefit from the RRHSC Property by retaining agents to market and publicize the products produced or stored at, or distributed from the confiscated RRHSC Property. The agents retained by Imperial and Habanos include WPP through its advertising agency subsidiaries, including the WPP Group, Y&R, BCW, and ~~BCW~~Ogilvy. Among

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[44] *See* http://habanosnews.habanos.com/en/cigar-factory-readings-and-readers .

[45] *See* Composite Exhibit 2 and Exhibit 7.

[46] *See* Composite Exhibits 2 and 3.

other things, those agencies assisted in setting up, or directly set up, the sponsored "official" portals listed above on the Twitter, YouTube, and Instagram platforms (Y&R, BCW, Ogilvy, Twitter, YouTube, and Instagram, collectively, the "U.S. Corporate Agents"). The work of the U.S. Corporate Agents on behalf of Imperial, Habanos and Tabacuba has included marketing and publicizing the Habanos' products manufactured in, stored at, or shipped from, the RRHSC Property. The trafficking by the U.S. Corporate Agents was accomplished through use of US Services. WPP, acting in serial and uninterrupted fashion, first through Ogilvy and later through Y&R~~,~~ and BCW, has continuously marketed and publicized the RRHSC Property, and the Habanos' products made at, stored in, or shipped from the RRHSC Property, since at least 2010.

~~56.~~83. Between 2010 and 2015, WPP and the WPP Group nominally used a subsidiary known as Ogilvy to market Habanos products. Beginning in 2016, marketing of Habanos products was nominally switched to Y&R, another WPP subsidiary. Most recently, beginning in 2019, marketing of Habanos products was again nominally switched to still another WPP subsidiary, BCW. In each instance, the switch from one to another WPP subsidiary was done without any apparent break or interruption in marketing services. Indeed, although WPP ostensibly switched from using Y&R to using BCW as the Habanos trafficking marketer, BCW continued using the same contact address as Y&R had been using -- (press.habanos@yr.com).

~~57.~~84. The Direct Traffickers have expanded their trafficking by retaining agents to assist in and further their trafficking in the property. The U.S. Corporate Agents have~~ and, with the possible exception of Instagram and Ogilvy,~~, and continued to, knowingly and intentionally, act as agents for the Direct Traffickers at least until October 2020. Each has and continues to cause, direct, participate in, or profit from, the trafficking of the RRHSC Property by the Direct Traffickers, all without the authorization of the Rodriguez Family.

85. Imperial, Habanos, WPP, Y&R and BCW either knew, or had reason to know that the Cuban tobacco in the products advertised or promoted by WPP, Y&R and BCW were (i) purchased, stored, managed, or sold by Tabacuba at or from the RRHSC Property, and that (ii) Tabacuba is the Cuban government run monopoly managing the growth, purchase and sale of raw tobacco. Imperial, Habanos, WPP, Y&R and BCW are bound by the knowledge of Imperial's partner Tabacuba which at all times was aware that RRHSC and the RRHSC Property were confiscated by the Cuban government.

~~58.~~86. In October 2020, Imperial announced that it had completed the sale of what it previously described as "its worldwide premium cigar businesses," including the non-U.S. business it calls "the Rest of the World business ("Premium Cigar RoW").[47] The sale was apparently completed on October 29, 2020.[48] By Imperial's own admission, these "assets" consisted primarily of Imperial's interest in Cuban joint venture companies, including:

> A 50 per cent stake in Habanos S.A., which exports hand-made cigars from Cuba and is responsible for international marketing activities. . . .
>
> A 50 per cent stake in Altabana S.L., which is responsible for the distribution of Cuban cigars worldwide through its network of over 20 subsidiary distributors.
>
> A 50 per cent stake in Internacional Cubana de Tabaco, S.A., which is responsible for the manufacturing of Cuban premium machine-made cigars.
>
> A 50 per cent stake in Promotora de Cigarros, S.L., which manages the distribution of the Cuban premium machine-made cigar portfolio worldwide.

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[47] *See Imperial Brands PLC agrees sale of Worldwide Premium Cigar Business* at 1, https://www.imperialbrandsplc.com/media/key-announcements/2020/imperial-brands-plc-agrees-sale-of-worldwide-premium-cigar-busin.html

[48] *See Imperial Brands PLC completes sale of its Worldwide Premium Cigar Businesses*, https://www.imperialbrandsplc.com/media/key-announcements/2020/imperial-brands-plc-completes-sale-of-its-worldwide-premium-ciga.html

Other sales of premium cigar products through Tabacalera SA including:

Exclusive distribution of Cuban handmade cigars in Spain;.

59.87. Imperial has further profited, or is attempting to further profit, from the confiscated RRHSC Property through its recent agreement to sell some or all of its interests in Habanos and other Imperial subsidiaries involved in the manufacture, sale, marketing, and distribution of Cuban tobacco products that have value at least in part as a result of their engagement "in a commercial activity using or otherwise benefiting from" the confiscated RRHSC Property.

60.88. Consistent with its purpose of "deter[ing] third party foreign investors from trafficking in confiscated property (defined as '**purchas[ing] an equity interest in, manag[ing], or enter[ing] into joint ventures** using property and assets some of which were confiscated from United States nationals.')[49], the Liberty Act defines trafficking in property confiscated by the Cuban government broadly. For purposes of the act, a person "traffics" in confiscated property if that person "knowingly"[50] and intentionally:

> (i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, ***leases***, receives, ***possesses***, ***obtains control of***, ***manages***, ***uses***, or otherwise acquires or holds an interest in confiscated property,
>
> (ii) ***engages in a commercial activity using or otherwise benefiting from*** confiscated property, or
>
> (iii) ***causes***, ***directs***, ***participates in***, ***or profits from***, ***trafficking*** (as described in clause (i) or (ii)) ***by another person***, ***or otherwise engages in trafficking*** (as described in clause (i) or (ii)) ***through another person***, without the authorization of any United States national who holds a claim to the property.

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[49] *See Glen v. Club Mediterranee S.A.*, 450 F.3d 1251, 1255 (11th Cir. 2006) (emphasis added) (quoting 22 U.S.C. § 6081(5)).

[50] The term "knowingly" is defined in the Act as meaning "with knowledge or having reason to know." *See* 22 U.S.C. § 6023(9).

See 22 U.S.C. § 6023(13) (emphasis added).

~~61.~~89. Property is also broadly defined in the Liberty Act:

> The term "property" means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal, or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

~~62.~~90. The conduct described above constitutes trafficking in the RRHSC Property by Imperial and Habanos. ~~In particular, each~~Each knowingly and intentionally engages or engaged in a commercial activity using or otherwise benefiting from the confiscated RRHSC Property, without the authorization of the Rodriguez Family. Each also causes, directs, participates in, or profits from, trafficking of the RRHSC Property by Cuba (and Tabacuba), again without the authorization of the Rodriguez Family.

~~63.~~91. Habanos is controlled by the Cuban government which confiscated the RRHSC Property. Imperial had access to Cuban government property and corporate records before it purchased its joint venture interest in Habanos. In addition, Imperial knew by no later than 2010 that the RRHSC Property was being used by Habanos to manufacture cigars. Imperial also knew or should have known since at least 2010 that its joint venture partner, Tabacuba, was using the RRHSC Property for administrative offices to support Habanos' operations and for warehousing and shipping cigar products manufactured and sold by Habanos. The use of the RRHSC Property by and for the benefit of Habanos and Imperial continued at least through October 2020.

~~64.~~92. WPP knew or should have known that the WPP Group including its U.S. subsidiaries, or subsidiaries of those U.S. corporate subsidiaries, continuously beginning in 2010 (Ogilvy), then in 2016 (Y&R) and ~~then~~in 2019 (BCW), were engaged in conduct that constituted trafficking in confiscated property under the Liberty Act. Similarly, Y&R knew or should have known that its subsidiaries or affiliates beginning in 2016, and BCW knew or should have known

that its subsidiaries and/or affiliates, beginning in 2019, were engaged in conduct that constituted trafficking in confiscated property under the Liberty Act. The information was available in Cuban corporate and property records and was available from their principal on the trafficking assignments, Habanos or Imperial.

93. WPP knew or should have known that by conflating its subsidiaries by having such subsidiaries market their services under the same name, and by sharing services and assets, WPP and the subsidiaries would be acting as one entity

94. Y&R knew or should have known that by having other companies market their services under the same brand name as Y&R, and by sharing services and assets, Y&R and the subsidiaries would be acting as one entity.

95. BCW knew or should have known that by having other companies market their services under the same brand name as BCW, and by sharing services and assets, BCW and the subsidiaries would be acting as one entity.

~~65.~~96. The conduct described above also constitutes trafficking in the RRHSC Property by WPP, Y&R, and BCW. In particular, by assisting Imperial, Habanos, and Tabacuba in marketing and publicizing the Habanos' products manufactured, stored at or shipped from the RRHSC Property, including through extensive use of US Services, each causes, directs, participates in, or profits from, or otherwise engages in, trafficking in the RRHSC Property by Imperial, Habanos, and Cuba, all without the authorization of the Rodriguez Family.

~~66.~~97. Imperial and its joint venture partner Cuba (Tabacuba) have profited substantially from trafficking in the confiscated RRHSC Property. According to data reported in Imperial's Annual Reports for the period from 2009 to 2019, "profits" earned by Imperial and Cuba from sales and distribution of Cuban cigars totaled over $1.5 billion. Total "revenues" exceeded $6.7

billion.[51] A significant portion of that profit and revenue was earned by trafficking in the confiscated RRHSC Property.

~~67.~~98. Plaintiffs provided a thirty-day notice each to Imperial, WPP, Y&R and BCW (and to Habanos in care of Imperial) stating, as provided by 22 U.S.C. § 6082 (3)(B) –(D), Plaintiffs' intention to commence this action and demanding that each Defendant immediately cease unlawfully trafficking in the RRHSC Property.

~~68.~~99. Notwithstanding Plaintiffs' notice, after the end of the 30-day period beginning on the date the notice was provided, each Defendant ~~(with the possible exception of Y&R)~~ continued to traffic in the confiscated RRHSC Property.

Claim for Damages

~~69.~~100. Plaintiffs incorporate and reallege paragraphs 1 through ~~68~~99 as if fully set forth herein.

~~70.~~101. This claim is brought pursuant to the Liberty Act, 22 U.S.C. § 6082.

~~71.~~102. As set out above, beginning no later than 2010 (Imperial, Habanos, and WPP), or no later than 2016 (Y&R) or no later than 2019 (BCW), each Defendant trafficked in the RRHSC Property ~~which~~that was confiscated by the Cuban Government on or after January 1, 1959 in violation of the Liberty Act and each is therefore liable to Plaintiffs, who own the Claim to the RRHSC Property, for money damages.

[51] Imperial's profits and revenues are reported in GBP. The over $1.5 billion in "profits" and over $6.7 billion in "revenues" were calculated by adding the "profits" and "revenues" reported in GBP by Imperial for its Habanos and Altabana joint ventures for the years 2009 to 2019. Those figures were then converted to dollars at an exchange rate of 1.25 GBP per dollar. That result was then doubled ~~two~~ to reflect the presumably equal distribution of profits and revenues between Imperial and Cuba in their 50-50 joint venture companies.

~~72.~~103. Plaintiffs are entitled to money damages under 22 U.S.C. § 6082(a)(1)(A), including:

(i) the amount which is the greater of--

. . . (II) the amount determined [by a special master pursuant to 22 U.S.C. § 6083(a)(2)]; or (III) the "fair market value" of the RRHSC Property, "calculated as being either the current value of the property, or the value of the property when confiscated plus interest, whichever is greater" ; and

(ii) court costs and reasonable attorneys' fees.

~~73.~~104. In addition, treble damages are warranted. Because Defendants ~~(with the possible exception of Y&R)~~ continued to traffic in the RRHSC Property after receiving notice from Plaintiffs pursuant to § 6082 (3)(B)–(D), Plaintiffs are entitled to three times the money damages determined pursuant to § 6082(a)(1)(A), plus court costs and reasonable attorneys' fees. *See* 22 U.S.C. § 6082(a)(3)(B)-(C).

Jury Trial Demand

Plaintiffs hereby demand a trial by jury.

Respectfully submitted,

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~~**Certificate of Service**~~

~~I HEREBY CERTIFY that on March 22, 2021, a true and correct copy of the foregoing was filed with the Clerk of Court using the CM/ECF system which will send a notification of the filing to all counsel and parties of record.~~

~~/s/ *Paulino A. Núñez Jr.*~~
~~Paulino A. Núñez Jr.~~