

**BASE PROSPECTUS DATED 22 NOVEMBER 2013**



## **ICAP PLC**

*(incorporated with limited liability in England and Wales under registered number 3611426)*

as an Issuer

and

## **ICAP Group Holdings plc**

*(incorporated with limited liability in England and Wales under registered number 6694512)*

as an Issuer and, in respect of Notes issued by ICAP plc, as guarantor

£1,000,000,000 Global Medium Term Note Programme

### **Arranger**

The Royal Bank of Scotland

### **Dealers**

BofA Merrill Lynch  
Commerzbank  
J.P. Morgan

Citigroup  
HSBC  
Lloyds Bank

**AN INVESTMENT IN NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS. INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN SECTION 2 (*RISK FACTORS*) OF THIS BASE PROSPECTUS. INVESTORS SHOULD ALSO READ CAREFULLY SECTION 10 (*IMPORTANT LEGAL INFORMATION*).**

## IMPORTANT NOTICES

### About this document

This document (the **Base Prospectus**) constitutes a base prospectus prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the **FCA**) and relates to ICAP plc's (**ICAP**) and ICAP Group Holdings plc's (**IGHP**) £1,000,000,000 Global Medium Term Note Programme (the **Programme**), under which each of ICAP and IGHP may from time to time issue notes denominated in any currency agreed between it and the relevant Dealers (the **Notes**). The nominal amount (being the amount which is used to calculate payments made on each Note) of all the Notes issued under the Programme will not exceed £1,000,000,000, subject to any increase that may be agreed between the Obligors and the Dealers. The payment of all amounts owing in respect of Notes issued by ICAP will, in certain circumstances, be unconditionally and irrevocably guaranteed by IGHP (in such capacity, IGHP is referred to as the **Guarantor**).

This Base Prospectus is valid for one year and may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. This Base Prospectus contains important information about ICAP, IGHP, the Group (as defined below) and the terms of the Programme. This Base Prospectus also describes the risks relevant to ICAP and IGHP and their business and risks relating to an investment in the Notes generally. The specific terms of each series or tranche of Notes will be specified in the final terms issued by the relevant Issuer and published via a Regulatory Information Service (the **Final Terms**). Investors should read and understand fully the contents of this Base Prospectus and any applicable Final Terms before making any investment decisions relating to any Notes.

**The Obligors (as defined below) are responsible for the**

### information contained in this Base Prospectus

Each Obligor accepts responsibility for the information contained in this Base Prospectus and, in relation to each tranche of Notes, the relevant Issuer and, in the case of Notes guaranteed by IGHP, the Guarantor accepts responsibility for the information contained in the applicable Final Terms for such tranche of Notes. To the best of the knowledge of each Obligor (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

### Use of defined terms in this Base Prospectus

**Certain terms or phrases in this Base Prospectus are defined in bold font and references to those terms elsewhere in this Base Prospectus are designated with initial capital letters. The locations in this Base Prospectus where these terms are first defined are set out in Appendix A of this Base Prospectus.**

In this Base Prospectus, references to the **Issuer** or the **Obligor** are to ICAP or IGHP, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to **Issuers** or **Obligors** shall mean both of them. All references to the **Group** are to ICAP, its subsidiaries (which includes IGHP) and its subsidiary undertakings taken as a whole. See Section 5 (*Description of the Obligors – Group structure*) for details of ICAP's principal subsidiaries.

### Information incorporated by reference in this Base Prospectus

This Base Prospectus, including the Appendices, must be read together with all information which is deemed to be incorporated in this Base Prospectus by reference (see

Section 8 (*Information Incorporated by Reference*)).

### The Notes issued under the Programme are not protected by the Financial Services Compensation Scheme

No Notes issued under the Programme are protected by the Financial Services Compensation Scheme (the **FSCS**). As a result, neither the FSCS nor anyone else will pay compensation to investors upon the failure of the relevant Issuer or, in the case of Notes guaranteed by IGHP, the Guarantor. If the relevant Issuer, or the Guarantor if applicable, goes out of business or becomes insolvent, investors may lose all or part of their investment in the relevant Notes.

### No offer of Notes

This Base Prospectus does not constitute an offer to subscribe for any Notes.

### Credit Rating Agency Regulation notice

Each of ICAP and IGHP has been rated BBB by Fitch Ratings Ltd. (**Fitch**) and Baa2 by Moody's Investors Service Ltd. (**Moody's**). Each of Fitch and Moody's is established in the European Union and is registered under Regulation (EU) No. 1060/2009 (as amended) (the **CRA Regulation**). The Programme is not rated by a credit rating agency. A Series of Notes may also be rated by either (or both) of the rating agencies referred to above or it may be unrated. Where a Series of Notes is rated, such rating will be specified in the applicable Final Terms, and will not necessarily be the same as the rating assigned to ICAP and/or IGHP.

### Queries relating to this Base Prospectus and the Programme

If investors have any questions regarding the content of this Base Prospectus, the Programme and/or any Notes or the actions they should take, they should seek advice from their financial adviser or other professional adviser.

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# 1

## SUMMARY

**This section sets out in a grid format standard information which is arranged under standard headings and is required to be included in a prospectus summary for this type of product. It also provides the form of the “issue specific summary” information which may be completed and attached to applicable Final Terms relating to Notes which may be offered under the Programme.**

## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary of the Notes and the Obligors. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and Obligors, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary explaining why it is not applicable.

### Section A – Introduction and warnings

Element	
A.1	<ul style="list-style-type: none"> <li>• <b>This summary must be read as an introduction to this Base Prospectus.</b></li> <li>• <b>Any decision to invest in the securities should be based on consideration of this Base Prospectus as a whole by the investor.</b></li> <li>• <b>Where a claim relating to information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.</b></li> <li>• <b>Civil liability attaches only to those persons who have tabled the summary, including any translation of it, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.</b></li> </ul>
A.2	<p>An offer of Notes in the United Kingdom for which there is a requirement to publish a prospectus under Article 3 of the Prospectus Directive is referred to as a <b>Public Offer</b>. In relation to Notes issued under the Programme which are to be offered as part of a Public Offer, the Issuer may provide its consent to the use of the Base Prospectus for the subsequent resale or final placement of Notes by financial intermediaries, provided that the subsequent resale or final placement of Notes by such financial intermediaries is made during the relevant offer period. Such consent will be subject to conditions which are relevant for the use of the Base Prospectus.</p> <p><b>Issue specific summary:</b></p> <p>[Not applicable – the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency).]</p> <p>[Not applicable – the Notes are not being offered as part of a Public Offer.]</p> <p><b>Consent:</b> Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Notes by [●] [and] [each financial intermediary whose name is published on the Issuer’s website (<a href="http://www.icap.com/investor-relations/debt-holder-information/global-medium-term-note-programme.aspx">www.icap.com/investor-relations/debt-holder-information/global-medium-term-note-programme.aspx</a>) and identified as an Authorised Offeror in respect of the relevant Public Offer [and any financial intermediary which is authorised to make such offers under [the Financial Services and Markets Act 2000, as amended, or other] applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p>“We, [●], refer to the [●] (the <b>Notes</b>) described in the Final Terms dated [●] (the <b>Final Terms</b>) published by [●] (the <b>Issuer</b>). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror</p>

Element	
	<p>Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly."]</p> <p>(each an <b>Authorised Offeror</b>)</p> <p><i>Offer period:</i> The Issuer's consent referred to above is given for Public Offers of Notes during [●] to [●] (the <b>Offer Period</b>). Such consent relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.</p> <p><i>Conditions to consent:</i> The conditions to the Issuer's consent [(in addition to the conditions referred to above)] are that such consent (a) is only valid during the Offer Period[; / and] (b) only extends to the use of this Base Prospectus to make Public Offers of the relevant tranche of Notes in the United Kingdom [and (c) [●]].</p> <p><b>IN THE EVENT OF A PUBLIC OFFER BEING MADE BY AN AUTHORISED OFFEROR, THE AUTHORISED OFFEROR WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE PUBLIC OFFER AT THE TIME THE PUBLIC OFFER IS MADE.</b></p>

#### Section B – Issuers and Guarantor

Element	Title	
<b>B.1</b>	Legal and commercial name.	The legal and commercial name of the Issuer is ICAP plc ( <b>ICAP</b> )
<b>B.2</b>	The domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation	ICAP is a public limited company incorporated and domiciled in England and Wales under the Companies Act 1985.
<b>B.4b</b>	A description of any known trends affecting the issuer and the industries in which it operates	<p>For the year ended 31 March 2013, the Group (as defined below) reported revenue of £1,472 million, 12% below the prior year. Trading activity across all asset classes was negatively impacted by a combination of factors including the depressed global economy, a low interest rate environment and regulatory uncertainty. These factors continued during the six months ended 30 September 2013, when revenue was 1% below that reported for the corresponding period in 2012, at £736 million.</p> <p>New financial regulations may potentially redefine some aspects of interdealer broking and create new types of competition between interdealer brokers and other market intermediaries for execution business.</p> <p>In the US, the Dodd-Frank Act requires certain classes of derivatives to be on designated contract markets or Swap Execution Facilities (<b>SEF</b>). In Europe, there are similar proposals in the Markets in Financial Instruments Directive II (<b>MiFID II</b>) that will mean certain standardised derivatives will be traded on exchanges and organised trading facilities' multilateral trading facilities (<b>MTFs</b>) and that providers of MTFs will be subject to a greater degree of regulatory compliance and oversight.</p>
<b>B.5</b>	If the issuer is part of a group, a description of the group and the issuer's position within the group	ICAP, through its subsidiaries (ICAP and its consolidated subsidiaries being referred to collectively as the <b>Group</b> ), provides intermediary broking services to the global wholesale financial markets where it acts as an interdealer broker ( <b>IDB</b> ), essentially matching buyers and sellers in the global financial markets, and provides post trade risk and information services which help its customers to manage and mitigate risks in their derivatives portfolios. IGHP is a holding company and also functions as a corporate treasury vehicle for the Group. IGHP is a wholly owned subsidiary of ICAP.

Element	Title																																																	
B.9	Where a profit forecast or estimate is made, state the figure	Not applicable. ICAP does not make a profit forecast.																																																
B.10	A description of the nature of any qualifications in the audit report on the historical financial information.	Not applicable. There are no qualifications to the audit reports for ICAP.																																																
B.12	<p>Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information.</p> <p>A statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change.</p> <p>A description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information.:</p>	<p><b>Selected financial information relating to the Group for the years ended 31 March 2013 and 2012</b></p> <table> <tr> <th></th><th>Year ended 31 March 2012 £m</th><th>Year ended 31 March 2013 £m</th></tr> <tr> <td colspan="3"><b>Income Statement</b></td></tr> <tr> <td>Revenue.....</td><td>1,681</td><td>1,472</td></tr> <tr> <td>Profit before tax (before acquisition and disposal costs and exceptional items).....</td><td>354</td><td>284</td></tr> <tr> <td>Profit before tax.....</td><td>217</td><td>66</td></tr> <tr> <td>Profit for the year.....</td><td>140</td><td>43</td></tr> <tr> <td colspan="3"><b>Balance sheet</b></td></tr> <tr> <td>Total equity.....</td><td>1,210</td><td>1,156</td></tr> <tr> <td>Cash and cash equivalents.....</td><td>547</td><td>602</td></tr> <tr> <td>Gross debt.....</td><td>(629)</td><td>(577)</td></tr> <tr> <td>Net (debt)/cash.....</td><td>(82)</td><td>25</td></tr> <tr> <td colspan="3"><b>Cash Flow Statement</b></td></tr> <tr> <td>Cash flow from operating activities.....</td><td>312</td><td>272</td></tr> <tr> <td>Net cash flow from investing activities.....</td><td>(57)</td><td>(17)</td></tr> <tr> <td>Net cash flow from financing activities.....</td><td>(116)</td><td>(205)</td></tr> <tr> <td>Net increase/(decrease) in cash and cash equivalents.....</td><td>134</td><td>64</td></tr> </table>		Year ended 31 March 2012 £m	Year ended 31 March 2013 £m	<b>Income Statement</b>			Revenue.....	1,681	1,472	Profit before tax (before acquisition and disposal costs and exceptional items).....	354	284	Profit before tax.....	217	66	Profit for the year.....	140	43	<b>Balance sheet</b>			Total equity.....	1,210	1,156	Cash and cash equivalents.....	547	602	Gross debt.....	(629)	(577)	Net (debt)/cash.....	(82)	25	<b>Cash Flow Statement</b>			Cash flow from operating activities.....	312	272	Net cash flow from investing activities.....	(57)	(17)	Net cash flow from financing activities.....	(116)	(205)	Net increase/(decrease) in cash and cash equivalents.....	134	64
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		<b>Selected financial information relating to the Group for the six months ended 30 September 2013 and 2012</b>	
		<b>Six months ended 30 September 2012</b>	<b>Six months ended 30 September 2013</b>
		<b>£m</b>	<b>£m</b>
	<b>Income Statement</b>		
	Revenue.....	736	746
	Profit before tax (before acquisition and disposal costs and exceptional items).....	139	137
	Profit before tax.....	40	68
	Profit for the year.....	19	50
	<b>Balance sheet</b>		
	Total equity.....	995	1,139
	Cash and cash equivalents.....	512	541
	Gross debt.....	(599)	(699)
	Net (debt)/cash.....	(87)	(158)
	<b>Cash Flow Statement</b>		
	Cash flow from operating activities.....	33	38
	Net cash flow from investing activities.....	(25)	(14)
	Net cash flow from financing activities.....	(60)	(13)
	Net increase/(decrease) in cash and cash equivalents.....	(90)	3
	ICAP Europe Limited, has reached settlement agreements with the Financial Conduct Authority (the <b>FCA</b> ) and the U.S. Commodity Futures Trading Commission (the <b>US CFTC</b> ) relating to the involvement of some of ICAP Europe Limited's brokers in the attempted manipulation of Yen LIBOR by certain bank traders between 2006 and 2011. This resulted in settlements of £14m for the FCA and \$65m for the US CFTC, as well as certain undertakings agreed to by ICAP and ICAP Europe Limited. The US Department of Justice has criminally charged certain former employees although its investigation into the Group's involvement this matter has yet to reach a conclusion and could, amongst other outcomes, result in a settlement and/or criminal charges against a Group company. In addition, the UK's Serious Fraud Office has identified, but neither named nor charged, certain former employees as part of the criminal charges made against three individuals for the attempted manipulation of Yen LIBOR. The Serious Fraud Office's ( <b>SFO</b> ) investigations remain ongoing.		
	In addition, in April 2013 ICAP was added as a named defendant to an existing civil litigation originally filed in April 2012 against certain Yen LIBOR and euro-yen Tibor panel banks in the United States District Court for the Southern District of New York. The complaint alleges the plaintiff was injured as a result of purported manipulation of Yen LIBOR and/or euro-yen Tibor by trading euro-yen Tibor futures contracts, one component of the underlying calculation of which refers to Yen LIBOR or euro-yen Tibor. ICAP has also been named, amongst several LIBOR panel banks and two other interdealer brokers, as a defendant in two civil filings made in August		



Element	Title	
		<p>2013 in Iowa, primarily concerning US dollar LIBOR. It is not practicable to determine the final outcome of these litigations or to provide an estimate of any potential financial impact on the Group, but ICAP intends to defend them vigorously.</p> <p>Additionally, the US CFTC has requested information in relation to the Group's role in the setting of the US dollar segment of a benchmark known as ISDAFIX which could also result in a formal investigation, claims or penalties as well as incurring further legal costs.</p> <p>Save for the above-mentioned regulatory matters, there has been no significant change in the financial or trading position of the Group since 30 September 2013 and no material adverse change in the prospects of the Group since 31 March 2013.</p>
<b>B.13</b>	A description of any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	Not applicable. There have been no recent events particular to ICAP which are to a material extent relevant to the evaluation of ICAP's solvency since the publication of ICAP's unaudited financial information for the six months ended 30 September 2013.
<b>B.14</b>	If the issuer is dependent upon other entities within the group, this must be clearly stated.	The Group operates globally through a large number of subsidiaries. Both ICAP and IGHP are holding companies and are therefore dependent upon the operating and financial performance of their respective subsidiaries.
<b>B.15</b>	A description of the issuer's principal activities	ICAP is the holding company of the Group. The Group is a leading markets operator and provider of post trade risk mitigation and information services. The Group matches buyers and sellers in the wholesale markets in interest rates, credit, commodities, FX, emerging markets and equity derivatives through voice and electronic networks. Through the Group's post trade risk and information services it helps its customers manage and mitigate risks in their portfolios.
<b>B.16</b>	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control.	ICAP is not directly or indirectly owned or controlled.
<b>B.17</b>	Credit ratings assigned to an issuer or its debt securities at the request or with the co-operation of the issuer in the rating.	<p>ICAP has been assigned a long-term senior unsecured rating of BBB (stable) by Fitch Ratings Ltd. (<b>Fitch</b>) and Baa2 (negative outlook) by Moody's Investors Service Ltd. (<b>Moody's</b>).</p> <p><b>Programme Summary</b></p> <p>Notes issued under the Programme may be rated or unrated by either or more of the rating agencies referred to above. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency.</p> <p><b>Issue specific summary:</b></p> <p>[The Notes [have been/are expected to be] rated [●] by [●].]</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>B.18</b>	Description of the Guarantee	Notes issued by ICAP will be unconditionally and irrevocably guaranteed by

Element	Title	
		<p>IGHP (as defined below). The obligations of IGHP under its guarantee in respect of such Notes (the <b>Guarantee</b>) will constitute direct, unconditional, unsubordinated and (subject to the IGHP's negative pledge described in element C.8 below) unsecured obligations of IGHP and will rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of IGHP from time to time outstanding.)</p> <p>At any time after the first date on which IGHP has no financial indebtedness outstanding, IGHP may request the Trustee to release IGHP from its obligations as guarantor of the Notes issued by ICAP, subject to the satisfaction of certain conditions. If IGHP subsequently incurs further financial indebtedness following the date of any such release, IGHP has covenanted to reinstate the guarantee in a manner satisfactory to the Trustee.</p>

Element	Title	
<b>B.1</b> <b>[B.19]</b>	Legal and commercial name.	The legal and commercial name of the [Issuer/Guarantor] is ICAP Group Holdings plc ( <b>IGHP</b> ).
<b>B.2</b> <b>[B.19]</b>	The domicile and legal form of the [issuer/guarantor], the legislation under which the [issuer/guarantor] operates and its country of incorporation	IGHP is a public limited company incorporated and domiciled in England and Wales under the Companies Act 1985.
<b>B.4b</b> <b>[B.19]</b>	A description of any known trends affecting the [issuer/guarantor] and the industries in which it operates	<p>For the year ended 31 March 2013, the IGHP Group (as defined below) reported revenue of £1,343 million, 12% below the prior year. Trading activity across all asset classes was negatively impacted by a combination of factors including the depressed global economy, a low interest rate environment and regulatory uncertainty.</p> <p>New financial regulations may potentially redefine some aspects of interdealer broking and create new types of competition between interdealer brokers and other market intermediaries for execution business.</p> <p>In the US, the Dodd-Frank Act requires certain classes of derivatives to be on designated contract markets or Swap Execution Facilities (<b>SEF</b>). In Europe, there are similar proposals in the Markets in Financial Instruments Directive II (<b>MiFID II</b>) that will mean certain standardised derivatives will be traded on exchanges and organised trading facilities' multilateral trading facilities (<b>MTFs</b>) and that providers of MTFs will be subject to a greater degree of regulatory compliance and oversight</p>
<b>B.5</b> <b>[B.19]</b>	If the [issuer/guarantor] is part of a group, a description of the group and the [issuer's/guarantor's] position within the group	IGHP is a wholly-owned subsidiary of ICAP. IGHP, through its subsidiaries (IGHP and its consolidated subsidiaries being referred to collectively as the <b>IGHP Group</b> ), provides intermediary broking services to the global wholesale financial markets where it acts as an interdealer broker ( <b>IDB</b> ), essentially matching buyers and sellers in the global financial markets, and provides post trade risk and information services which help its customers to manage and mitigate risks in their derivatives portfolios.
<b>B.9</b> <b>[B.19]</b>	Where a profit forecast or estimate is made, state the	Not applicable. IGHP does not make a profit forecast.

Element	Title																																														
	figure																																														
<b>B.10</b> <b>[B.19]</b>	A description of the nature of any qualifications in the audit report on the historical financial information.	Not applicable. There are no qualifications to the audit reports for IGHP.																																													
<b>B.12</b> <b>[B.19]</b>	<p>Selected historical key financial information regarding the [issuer/guarantor], presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information.</p> <p>A statement that there has been no material adverse change in the prospects of the [issuer/guarantor] since the date of its last published audited financial statements or a description of any material adverse change.</p> <p>A description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information.</p>	<p><b>Selected financial information relating to the IGHP Group for the years ended 31 March 2013 and 2012</b></p> <table> <tr> <th></th><th>Year ended 31 March 2012 £m</th><th>Year ended 31 March 2013 £m</th></tr> <tr> <td colspan="3"><b>Income Statement</b></td></tr> <tr> <td>Revenue.....</td><td>1,555</td><td>1,343</td></tr> <tr> <td>Profit before tax.....</td><td>179</td><td>37</td></tr> <tr> <td>Profit for the year.....</td><td>116</td><td>17</td></tr> <tr> <td colspan="3"><b>Balance sheet</b></td></tr> <tr> <td>Total equity.....</td><td>580</td><td>656</td></tr> <tr> <td>Cash and cash equivalents.....</td><td>501</td><td>549</td></tr> <tr> <td>Total borrowings.....</td><td>(486)</td><td>(327)</td></tr> <tr> <td>Net (debt)/cash.....</td><td>15</td><td>222</td></tr> <tr> <td colspan="3"><b>Cash Flow Statement</b></td></tr> <tr> <td>Net cash flow from operating activities.....</td><td>149</td><td>81</td></tr> <tr> <td>Net cash flow from investing activities.....</td><td>(55)</td><td>(14)</td></tr> <tr> <td>Net cash flow from financing activities.....</td><td>56</td><td>(30)</td></tr> <tr> <td>Net increase/(decrease) in cash and cash equivalents.....</td><td>153</td><td>55</td></tr> </table> <p>In September 2013, ICAP Europe Limited reached settlement agreements with the Financial Conduct Authority (the <b>FCA</b>) and the U.S. Commodity Futures Trading Commission (the <b>US CFTC</b>) relating to the involvement of some of ICAP Europe Limited's brokers in the attempted manipulation of Yen LIBOR by certain bank traders between 2006 and 2011. This resulted in settlements of £14m for the FCA and \$65m for the US CFTC, as well as certain undertakings agreed to by ICAP and ICAP Europe Limited. The US Department of Justice has criminally charged certain former employees although its investigation into the Group's involvement in this matter has yet to reach a conclusion and could, amongst other outcomes, result in a settlement and/or criminal charges against ICAP Europe Limited. In addition, the UK's Serious Fraud Office (<b>SFO</b>) has identified, but neither named nor charged, certain former employees as part of the criminal charges made against three individuals for the attempted manipulation of Yen LIBOR. The SFO's investigations remain ongoing.</p> <p>Additionally, the US CFTC has requested information in relation to the Group's role in the setting of the US dollar segment of a benchmark known as ISDAFIX which could also result in a formal investigation, claims or penalties as well as incurring further legal costs.</p>		Year ended 31 March 2012 £m	Year ended 31 March 2013 £m	<b>Income Statement</b>			Revenue.....	1,555	1,343	Profit before tax.....	179	37	Profit for the year.....	116	17	<b>Balance sheet</b>			Total equity.....	580	656	Cash and cash equivalents.....	501	549	Total borrowings.....	(486)	(327)	Net (debt)/cash.....	15	222	<b>Cash Flow Statement</b>			Net cash flow from operating activities.....	149	81	Net cash flow from investing activities.....	(55)	(14)	Net cash flow from financing activities.....	56	(30)	Net increase/(decrease) in cash and cash equivalents.....	153	55
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Element	Title	
		Save for the above-mentioned regulatory matters, there has been no significant change in the financial or trading position of the IGHP Group since 31 March 2013 and no material adverse change in the prospects of the IGHP Group since 31 March 2013.
<b>B.13</b> <b>[B.19]</b>	A description of any recent events particular to the [issuer/guarantor] which are to a material extent relevant to the evaluation of the [issuer's/guarantor's] solvency.	Not applicable. There have been no recent events particular to IGHP which are to a material extent relevant to the evaluation of IGHP's solvency since the publication of IGHP's audited financial statements for the year ended 31 March 2013.
<b>B.14</b> <b>[B.19]</b>	If the [issuer/guarantor] is dependent upon other entities within the group, this must be clearly stated.	IGHP is a wholly-owned subsidiary of ICAP. The Group operates globally through a large number of subsidiaries. Both ICAP and IGHP are holding companies and are therefore dependent upon the operating and financial performance of their respective subsidiaries.
<b>B.15</b> <b>[B.19]</b>	A description of the [issuer's/guarantor's] principal activities	IGHP is a holding company and corporate treasury vehicle for the Group. The Group is a leading markets operator and provider of post trade risk mitigation and information services. The Group matches buyers and sellers in the wholesale markets in interest rates, credit, commodities, FX, emerging markets and equity derivatives through voice and electronic networks. Through the Group's post trade risk and information services it helps its customers to manage and mitigate risks in their portfolios.
<b>B.16</b> <b>[B.19]</b>	To the extent known to the [issuer/guarantor], state whether the [issuer/guarantor] is directly or indirectly owned or controlled and by whom and describe the nature of such control.	ICAP owns 100% of the ordinary share capital of IGHP.
<b>B.17</b> <b>[B.19]</b>	Credit ratings assigned to an [issuer/guarantor] or its debt securities at the request or with the co-operation of the [issuer/guarantor] in the rating.	<p>IGHP has been assigned a long-term senior unsecured rating of BBB (stable) by Fitch Ratings Ltd. (<b>Fitch</b>) and Baa2 (negative) by Moody's Investors Service Ltd. (<b>Moody's</b>).</p> <p><b>Programme Summary</b></p> <p>Notes issued under the Programme may be rated or unrated by either or more of the rating agencies referred to above. Where a tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency.</p> <p><b>Issue specific summary:</b></p> <p>[The Notes [have been/are expected to be] rated [●] by [●].]</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>

### Section C – Securities

Element	Title	
<b>C.1</b>	A description of the type and the class of the securities being offered and/or admitted to trading,	<p><b>Programme Summary</b></p> <p>The Notes described in this section are debt securities which may be issued under the £1,000,000,000 Global Medium Term Note Programme of the</p>

Element	Title	
	including any security identification number.	<p>Obligors. The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of the foregoing.</p> <p><b>Issue specific summary:</b></p> <p>The Notes are [£/€/U.S.\$/other] [●] [[●] per cent./Floating Rate/Zero Coupon/] Notes due [●].</p> <p>International Securities Identification Number (ISIN): [●]</p>
C.2	Currency of the securities issue.	<p><b>Programme Summary</b></p> <p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer and the relevant Dealer at the time of issue.</p> <p><b>Issue specific summary:</b></p> <p>The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/U.S. dollars (U.S.\$)/Other ([●])].</p>
C.5	A description of any restrictions on the free transferability of the securities	<p><b>Programme summary:</b></p> <p>The Notes will be freely transferable.</p>
C.8	<p>A description of the rights attached to the securities including:</p> <ul style="list-style-type: none"> <li>• ranking</li> <li>• limitations to those rights.</li> </ul>	<p><b>Programme summary:</b></p> <p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p><b>Status (Ranking)</b></p> <p>The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of the negative pledge below) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p><b>Taxation</b></p> <p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the United Kingdom. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.</p> <p>All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the <b>Code</b>) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.</p> <p><b>Negative pledge</b></p> <p>The Terms and Conditions of the Notes contain a negative pledge provision. In general terms, a negative pledge provision provides the Noteholders with the</p>

Element	Title	
		<p>right to benefit from equivalent or similar security rights granted to the holders of any future issues of Notes or other debt securities which are issued by the Issuer or the Guarantor (if applicable) or certain subsidiaries. Under the negative pledge provision set out in the Terms and Conditions of the Notes, neither the Issuer nor the Guarantor (if applicable) nor certain of ICAP's subsidiaries may create or have outstanding any security interest over any of their present or future businesses undertakings, assets or revenues to secure certain types of indebtedness or any guarantee or indemnity in respect of certain types of indebtedness without securing the Notes equally and rateably. A negative pledge provision therefore protects the Noteholders' rights by ensuring that the Issuer or the Guarantor (if applicable) does not, in the future, grant more favourable rights to holders of other publicly traded bonds issued by the Obligors.</p> <p><b>Covenant</b></p> <p>As long as any Notes are outstanding which are either issued or guaranteed by IGHP, IGHP will ensure that, as at the last day of each financial year, the adjusted pre-taxation profits of IGHP and its subsidiaries for that financial year will be 85 per cent. of the Group's adjusted pre-taxation profits for that financial year. The purpose of this covenant is to ensure that IGHP comprises substantially all of the Group. If IGHP breaches this covenant, such breach shall constitute an event of default.</p> <p><b>Events of default</b></p> <p>An event of default is a breach by the Issuer or the Guarantor of certain provisions in the Terms and Conditions of the Notes. The terms of the Notes will contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> <li>(a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;</li> <li>(b) non-performance or non-observance by the Issuer or the Guarantor (if applicable) of any of their respective other obligations under the conditions of the Notes or the Trust Deed, in certain cases continuing for a specified period of time;</li> <li>(c) defaults under other agreements for borrowed money of the Issuer, the Guarantor (if applicable) or certain other subsidiaries of ICAP in excess of an aggregate threshold of £25,000,000;</li> <li>(d) events relating to the insolvency or winding up of the Issuer, the Guarantor (if applicable) or certain other subsidiaries of ICAP; and</li> <li>(e) in the case of Notes issued by ICAP, the Guarantee ceases to be in full force and effect.</li> </ul> <p>In addition, in respect of certain of the events described above, Trustee certification that any such breach is materially prejudicial to the interests of the Noteholders is required before such events will be deemed to constitute events of default. If an event of default occurs, the Notes may be repaid early.</p> <p><b>Meetings</b></p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did</p>

Element	Title	
		<p>not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p><b>Governing law</b></p> <p>English law.</p>
C.9	<p>A description of the rights attached to the securities including:</p> <ul style="list-style-type: none"> <li>the nominal interest rate</li> <li>the date from which interest becomes payable and the due dates for interest</li> <li>where the rate is not fixed, description of the underlying on which it is based</li> <li>maturity date and arrangements for the amortisation of the loan, including the repayment procedures</li> <li>an indication of yield</li> <li>name of representative of debt security holders</li> </ul>	<p><b>Interest</b></p> <p><b>Programme Summary:</b></p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate.</p> <p><b>Issue specific summary:</b></p> <p>[The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum. The yield of the Notes is [●] per cent. Interest will be paid [annually] in arrear on [●] in each year. The first interest payment will be made on [●].</p> <p>[The Notes bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [●] [plus/minus] a margin of [●] per cent. Interest will be paid [semi-annually] in arrear on [●] and [●] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●].</p> <p>[The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p><b>Redemption</b></p> <p><b>Programme Summary:</b></p> <p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.</p> <p><b>Issue specific summary:</b></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at [par/[●] per cent. of their nominal amount].</p> <p>The Notes may be redeemed early for tax reasons [or [at the option of the Issuer at a redemption amount of [●]]][or [in certain circumstances on a change a control of ICAP] at the option of the Noteholders at a redemption amount of [●]].</p> <p><b>Representative of holders</b></p> <p>The Obligors have appointed BNY Mellon Corporate Trustee Services Limited (the <b>Trustee</b>) to act as trustee for the holders of Notes. The Trustee may, without the consent of any holders and without regard to the interests of particular holders, 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 of any series or (ii) determine, without the consent of any holders, that an 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 the Notes in place of the Issuer.</p>
C.10	If the security has a derivative component in the	Not applicable – There is no derivative component in the interest payments.

Element	Title	
	<p>interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected</p> <p>the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.</p>	
C.11	<p>An indication as to whether the securities offered are or will be the object of an Application for admission to trading, with a view to their distribution in a regulated market or Other equivalent markets with indication of the markets in question.</p>	<p><b>Programme Summary:</b></p> <p>Notes issued under the Programme pursuant to this Base Prospectus and offered to the Public as part of a Public Offer may be admitted to trading on the regulated market of the London Stock Exchange or the ICAP Securities and Derivatives Exchange.</p> <p>Notes issued under the Programme pursuant to this Base Prospectus not issued as part of a Public Offer will be listed and admitted to trading on the London Stock Exchange or the ICAP Securities and Derivatives Exchange.</p> <p><b>Issue specific summary:</b></p> <p>[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.][ICAP Securities and Derivatives Exchange.]] [The Notes are not intended to be admitted to trading on any market.]</p>
C.21	<p>Indication of the market where the securities will be traded and for which prospectus has been published.</p>	<p><b>Programme Summary:</b></p> <p>Notes issued under the Programme pursuant to this Base Prospectus and offered to the Public as part of a Public Offer may be admitted to trading on the regulated market of the London Stock Exchange or the ICAP Securities and Derivatives Exchange.</p> <p>Notes issued under the Programme pursuant to this Base Prospectus not issued as part of a Public Offer will be listed and admitted to trading on the London Stock Exchange or the ICAP Securities and Derivatives Exchange.</p> <p><b>Issue specific summary:</b></p> <p>[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.][ICAP Securities and Derivatives Exchange.]] [The Notes are not intended to be admitted to trading on any market.]</p>

## Section D – Risks

Element	Title	
D.2	<p>Key information on the key risks that are specific to the</p>	<p><b>Strategic risks</b></p> <ul style="list-style-type: none"> <li>The regulatory environment in which the Group operates is subject to change. New financial regulations may potentially redefine some aspects of interdealer broking and create new types of competition between interdealer brokers and other market intermediaries for execution business. Any inability of the Group to adapt or deliver services that are compliant</li> </ul>



Element	Title	
	issuers and IGHP as Guarantor.	<p>with the new regulations could significantly reduce the revenues and profitability of the Group. The costs of making those adaptations or otherwise complying with those regulations may also increase the cost base of the Group and/or require it to raise further capital. Changing regulation may also impact the Group's customers, and may cause a reduction in overall trading activity, increased costs in certain markets and/or increased capital requirements.</p> <ul style="list-style-type: none"> <li>• In September 2013, the Group filed its application to be a Swap Execution Facility (<b>SEF</b>) with the US CFTC in compliance with the Dodd-Frank Act. It is too early to forecast the impact that the introduction of SEFs will have on the Group's revenues and profits as the new rules take effect and customers determine how to operate in the new environment. Additionally, the SEF may require the injection of further capital which the Group will need to fund and the provision of this funding could have an adverse effect on the profitability of the Group.</li> <li>• The Group has numerous competitors some of whom may have greater financial, marketing, technology and personnel resources than the Group has, or be able to offer services that are disruptive to current market structures and assumptions. In addition, new or existing competitors could gain access to markets or products in which the Group currently enjoys a competitive advantage. If the Group fails to compete effectively for any reason, its financial condition and operating results could be materially affected.</li> </ul> <p><b>Operational risks</b></p> <ul style="list-style-type: none"> <li>• The Group operates in a regulated environment that imposes costs and significant compliance requirements. Regulatory obligations require a commitment of resources. The Group's ability to comply with applicable laws, rules and regulations is largely dependent on its establishment and maintenance of compliance, control and reporting functions. If it fails to maintain such compliance and reporting functions, this will increase the likelihood that the Group may breach applicable laws and regulations exposing it to the risk of civil litigation and investigations and financial penalties from regulatory agencies.</li> <li>• From time to time the Group is subject to enquiries and investigations by regulatory agencies worldwide. Where the Group is not the subject or target of such enquiries, it may nevertheless incur costs in searching for and providing information to regulators, and those costs are in most cases irrecoverable. Regulatory agencies have broad powers to investigate and enforce compliance and punish non-compliance, including by the imposition of financial penalties and/or undertakings and, in some instances, by actions against individuals and/or supervisors. Any claims or actions by these agencies could adversely affect the Group, both directly through the imposition of a fine, penalty or settlement, and indirectly through various consequences, including damage to the Group's reputation and on-going earnings, reduced or constrained capital base and reduced ability to borrow.</li> <li>• The Group may be adversely affected if its reputation is harmed, including as a result of perceived or actual failures in operational and/or financial controls including the risk of loss due to customer or staff misconduct, significant operational failures or perceived failures. The Group's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged.</li> </ul> <p><b>Liquidity risks</b></p> <ul style="list-style-type: none"> <li>• The Group requires access to clearing and settlement providers and may need access to</li> </ul>

Element	Title	
		funding for payment of collateral, margin calls and other clearing charges. If any of these providers are unable to provide continued clearing services or the Group is unable to obtain sufficient lines of credit, this would severely limit the Group's ability to conclude trades and in extreme cases could lead to significant trade failures. Failure to meet a margin call could result in significant reputational damage under which the Group's stakeholders could call into question the Group's ability to continue to trade.
<b>D.3</b>	Key information on the key risks that are specific to the securities	<ul style="list-style-type: none"> <li>• The Notes are not protected by the Financial Services Compensation Scheme (the <b>FSCS</b>). As a result, neither the FSCS nor anyone else will pay compensation to investors upon the failure of the Issuer or, in case of Notes guaranteed by IGHP, the Guarantor. If the Issuer or, in case of Notes guaranteed by IGHP, the Guarantor goes out of business or becomes insolvent, investors may lose all or part of their investment in the Notes.</li> <li>• If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds to achieve a similar effective return.</li> <li>• If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.</li> <li>• Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.</li> <li>• The conditions of the Notes may be modified without the consent of the holder in certain circumstances.</li> <li>• The holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law.</li> <li>• Holders of CREST depository interests will hold or have an interest in a separate legal instrument and will not be the legal owners of the Notes in respect of which the CDIs are issued.</li> <li>• 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.</li> <li>• There may be no or only a limited secondary market in the Notes and this would adversely affect the value at which an investor could sell his Notes.</li> <li>• The value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency.</li> <li>• Changes in market interest rates will affect the value of Notes which bear interest at a fixed rate.</li> <li>• Any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes.</li> </ul>

#### Section E – Offer

Element	Title	
<b>E.2b</b>	Reasons for the offer	<b><i>Programme Summary</i></b>

Element	Title	
	and use of proceeds when different from making profit and/or hedging certain risks	<p>The net proceeds from each issue of Notes are expected to be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue there is a particular identified use of proceeds, this will be stated below.</p> <p><b>Issue specific summary</b></p> <p>Reasons for the offer: [●]</p> <p>Use of proceeds: [●]</p>
E.3	A Description of the terms and conditions of the offer.	<p>The terms and conditions of each offer of Notes will be determined by agreement between the relevant Issuer and the relevant Dealers at the time of issue and specified in the applicable Final Terms. An investor intending to acquire or acquiring any Notes in a Public Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p><b>Issue specific summary:</b></p> <p>[Not applicable - the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency.)]</p> <p>[Not applicable – the Notes are not being offered to the public as part of a Public Offer.]</p> <p>[This issue of Notes is being offered in a Public Offer in the United Kingdom.]</p> <p>The issue price of the Notes is [●] per cent. of their nominal amount.</p>
E.4	A Description of any interest that is material to the issue/offer including conflicting interests	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Obligors and their affiliates in the ordinary course of business.</p> <p><b>Issue specific summary</b></p> <p>[Other than as mentioned above,[ and save for [●],] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
E.7	Estimated expenses charged to the investor by the Issuer or the offeror	<p>[Not applicable – No expenses will be charged to investors by the Issuer.]</p> <p>[It is not anticipated that the Issuer will charge any expenses to investors in connection with any issue of Notes under the Programme. Other Authorised Offerors (as defined above) may, however, charge expenses to investors. Such expenses (if any) will be determined on a case by case basis.</p> <p><b>Issue specific summary:</b></p> <p>No expenses are being charged to an investor by the Issuer. For this specific issue, however, expenses may be charged by an Authorised Offeror (as defined above) in the range between [●] per cent. and [●] per cent. of the nominal amount of the Notes to be purchased by the relevant investor.]</p>

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# 2

## RISK FACTORS

**The following is a description of the principal risks and uncertainties which may affect the relevant Issuer's and, in the case of Notes issued by ICAP, the Guarantor's ability to fulfil its obligations under the Notes.**

Before applying for any Notes, investors should consider whether the relevant Notes are a suitable investment for them. There are risks associated with an investment in the Notes, many of which are outside the control of the Obligors. These risks include those in this section.

## RISK FACTORS

### Introduction

All references to the **Issuer**, the **relevant Issuer** or the **relevant Obligor** are to ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**), as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to **Issuers** or **Obligors** shall mean both of them. The payment of all amounts owing in respect of Notes issued by ICAP will, in certain circumstances, be unconditionally and irrevocably guaranteed by IGHP under its guarantee in respect of such Notes (the **Guarantee**) (in such capacity, IGHP is referred to as the **Guarantor**).

All references to the **Group** are to ICAP, its subsidiaries (which includes IGHP) and its subsidiary undertakings taken as a whole.

Investors should carefully consider the risks described below and all other information contained in this Base Prospectus and reach their own view before making an investment decision. The Obligors believe that the factors described below represent the principal risks and uncertainties which may affect their ability to fulfil their obligations under the Notes and, in the case of Notes guaranteed by IGHP, IGHP's ability to fulfil its obligations under the Guarantee, but the Group may face other risks that may not be considered significant risks by the Issuer based upon information available to it at the date of this Base Prospectus or that it may not be able to anticipate. Factors which the Obligors believe may be material for the purpose of assessing the market risks associated with the Notes are also described below. If any of the following risks, as well as other risks and uncertainties that are not yet identified or that the Obligors think are immaterial at the date of this Base Prospectus, actually occur, then these could have a material adverse effect on the relevant Obligor's ability to fulfil its obligations to pay interest, principal or other amounts in connection with the Notes.

Investors should note that the risks relating to the Group, its industry and the Notes summarised in Section 1 (*Summary*) are the risks that the Obligors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, Investors should consider not only the information on the key risks summarised in Section 1 (*Summary*) but also, among other things, the risks and uncertainties described below.

**Factors that may affect the relevant Issuer's ability to fulfil its obligations under Notes issued under the Programme and, in the case of Notes issued by ICAP, IGHP's ability to fulfil its obligations as Guarantor**

### Risks relating to the Obligors

*The Group operates in a regulated environment that imposes costs and significant compliance requirements. Failure to comply with regulations could subject the Group to sanctions, force it to cease providing certain services and/or oblige it to change the scope or nature of its operations*

The Group is supervised by the Financial Conduct Authority (the **FCA**) and is required to meet the systems and controls requirements of the EU's Capital Requirements Directive and Capital Requirements Regulation (together the **CRD**). The FCA adopts a risk-based approach to supervision and does this in various ways including the review of prudential returns, visits to the Group and meetings with senior management. In the US, the Group's activities are primarily regulated by, amongst others, the Financial Industry Regulatory Authority, the Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission (the **US CFTC**). With the implementation of the Dodd-Frank Act, certain activities of the Group relating to OTC derivatives are now, and will increasingly be regulated

by the US CFTC. The Group's operations in other countries are subject to relevant local regulatory requirements.

Adherence to these regulations is monitored, where applicable, via the Group Head of Compliance, who reports regularly to the Audit and Risk Committees and the board of directors of ICAP (the **Board**). The Group's ability to comply with applicable laws, rules and regulations is largely dependent on its establishment and maintenance of compliance, control and reporting systems, as well as its ability to attract and retain qualified compliance and other risk management personnel. If it fails to maintain such compliance and reporting systems or fails to attract and retain personnel who are capable of designing and operating such systems, this will increase the likelihood that the Group may breach applicable laws and regulations exposing it to the risk of civil litigation and investigations by regulatory agencies, such as the FCA. Similarly, any failure of commercial management to understand and act upon applicable laws and regulations would present a similar risk.

The Group currently benefits from an investment firm consolidation waiver, renewable in April 2016, which allows it an exemption from the requirement to comply with the full scope of the capital requirements under the CRD, removing the requirement for the Group to fund the goodwill element of acquisitions with the most expensive forms of loss absorbing capital. If the Group fails to comply with the conditions of such waiver or to renew the waiver in due course or if there are any subsequent changes to the applicability or requirements of such waiver, this could require the Group to raise significant further share capital.

Furthermore, the Group is international in nature with a large proportion of its profits and revenues generated from traditional markets located outside of the United Kingdom (notably the United States of America) and the provision of non-broking or other unregulated services. As the Group develops, the volume of revenues derived from activities other than the regulated business in the United Kingdom is expected to continue to increase. However, capital restrictions imposed on the Group under the CRD, which require it to operate brokerage activities in international markets on the same basis as it operates in the United Kingdom (irrespective of local requirements), could limit the Group's ability to complete further acquisitions or engage in new types of business. This could, therefore, have an impact on the Group's profitability and/or results of operations.

Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

In addition, as the Group expands parts of its business to provide services to a wider range of non-bank customers, such as professional investors and even retail investors (in the form of the home broker business operated in Brazil) and to emerging countries, the regulatory burden and risk of infringement increases.

The Group at certain times holds client money which imposes additional duties and regulatory obligations. Misuse of this money could lead the Group to being subject to fines or sanctions from the regulators which could, in turn, have an adverse effect on the Group's reputation and financial condition.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that (i) the relevant Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or (ii) any member of the Group (which is a supervised firm regulated by the FCA) will be unable to comply with its obligations as a supervised firm regulated by the FCA.

*The regulatory environment in which the Group operates is subject to change which could redefine some aspects of interdealer broking, affect the business methodology of the Group and/or make it more onerous for the Group to comply with the obligations to which it is subject*

As a result of the market disruption following the collapse of Lehman Brothers in 2008, regulators worldwide have adopted an increased level of scrutiny in supervising the financial markets. Although much of this has been aimed at banks, the Group anticipates a general increase in both the burden of regulation and the activism of regulators. The risks to the Group presented by these changes are:

- greater scrutiny over the whole industry, at a time when rules and regulatory approach are in flux, increases the likelihood and probable impact of regulatory enquiries and the potential for fines or censure; and
- the possibility that it will become mandatory for the execution and settlement of further OTC transactions to be carried out on regulated exchanges.

New financial regulations may potentially redefine some aspects of interdealer broking and create new types of competition between interdealer brokers and other market intermediaries for execution business. In the US, the Dodd-Frank Act requires certain classes of derivatives to be on designated contract markets or Swap Execution Facilities (**SEF**). In Europe, there are similar proposals in the Markets in Financial Instruments Directive II (**MiFID II**) that will mean certain standardised derivatives will be traded on exchanges and organised trading facilities' multilateral trading facilities (**MTFs**) and that providers of MTFs will be subject to a greater degree of regulatory compliance and oversight.

The Group already operates ten MTFs in Europe. The Group also engages heavily with the clearing agents on behalf of itself and its customers. In September 2013, the Group's subsidiary, ICAP SEF (US) LLC, received temporary registration approval from the US CFTC to be a SEF. It is too early to forecast the impact that the introduction of SEFs will have on the Group's revenues and profits as the new rules take effect and customers determine how to operate in the new environment. Additionally, the SEF itself may require the injection of further capital which the Group will need to fund and the provision of this funding could have an adverse effect on the profitability of the Group.

Any inability of the Group to timely adapt or deliver services that are compliant with the new regulations could have a significant adverse impact on the revenues and profitability of the Group. Even if successful in adapting its services to new regulations, the costs of making those adaptations or otherwise complying with those regulations may also increase the cost base of the Group. Changing regulation may also impact the Group's customers, and in conjunction with increased capital requirements under the Basel III Accord and the CRD may cause a reduction in overall trading activity or increased costs in certain markets. This may in turn reduce the earnings of the Group in both its execution and post-trade businesses.

Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

The European Council has also proposed a draft directive for the recovery and resolution of investment firms and their group companies (the **RRD**) which may, if implemented, enable regulators to bail-in eligible liabilities of certain investment firms or their group companies in the event that they are subject to financial difficulty (including senior debt obligations such as the Notes). Although the RRD remains in draft form and the impact on the Obligors and the Group remains uncertain, any such measures could make it more difficult for the Group to obtain financing, and/or increase the Group's cost of raising such

finance. In addition, any future bail-in power exercised by a regulator in respect of the Notes could potentially result in a holder of such Notes losing part of or the entire value of their investment in such Notes.

*From time to time the Group is subject to enquiries and investigations by regulatory agencies, the outcomes of which could have an impact on the Group's business, financial condition, results of operations and/or prospects*

From time to time the Group is subject to enquiries and investigations by regulatory agencies worldwide. Where appropriate these matters are disclosed in the Group's financial statements, and/or within the financial statements of the relevant Group company. Where the Group is not the subject or target of such enquiries, it may nevertheless incur costs in searching for and providing information to regulators, and those costs are in most cases irrecoverable. Regulatory agencies have broad powers to investigate and enforce compliance and punish non-compliance, including by the imposition of financial penalties and/or undertakings and in some instances by actions against individuals and/or supervisors. Any claims or actions by these agencies could adversely affect the Group's business, results of operations, financial condition or prospects, both directly through the imposition of a fine, penalty or settlement, and indirectly through various consequences, including damage to the Group's reputation and on-going earnings, reduced or constrained capital base and reduced ability to borrow.

Several government agencies in North America and Europe, including the US CFTC, the US Department of Justice, the FCA (formerly the Financial Services Authority), the Serious Fraud Office and the European Commission, continue to conduct investigations in to past submissions made by panel members to the bodies that set various interbank reference rates (notably LIBOR). ICAP Europe Limited, has reached settlement agreements with the FCA and the US CFTC relating to the involvement of some of ICAP Europe Limited's brokers in the attempted manipulation of a key benchmark rate for the pricing of Yen-denominated financial transactions known as Yen LIBOR by certain bank traders between 2006 and 2011. This resulted in settlements of £14m with the FCA and \$65m with the US CFTC as well as certain undertakings agreed to by ICAP plc and ICAP Europe Limited. The US Department of Justice has criminally charged certain former employees although its investigation into the Group's involvement in this matter has yet to reach a conclusion and could, amongst other outcomes, result in a settlement and/or criminal charges against ICAP Europe Limited. Other agencies also continue their investigations. The UK's Serious Fraud Office (**SFO**) has identified, but neither named nor charged, certain former employees as part of the criminal charges made against three individuals for the attempted manipulation of Yen LIBOR. The SFO's investigations remain on-going.

In April 2013, ICAP was added as a named defendant to an existing civil litigation originally filed in April 2012 in the United States District Court for the Southern District of New York against certain banks which contribute to the setting of Yen LIBOR and other benchmark rates for yen denominated financing transactions. The complaint alleges the plaintiff was injured as a result of purported manipulation of certain Yen benchmark rates by trading certain financial contracts. ICAP has also been named, amongst several LIBOR panel banks and two other interdealer brokers, as a defendant in two civil filings made in August 2013 in Iowa, primarily concerning US dollar LIBOR. ICAP will have to bear the costs of these litigations, which may not be fully or at all recoverable. It is not practicable to determine the final outcome of these litigations or to provide an estimate of any potential financial impact on the Group. However, in the event that these proceedings are determined adversely against ICAP, this could have an adverse effect on the Group's business, results of operations, financial condition or prospects.

Additionally, the US CFTC has requested information in relation to the Group's role in the setting of the US dollar element of a benchmark known as ISDAFIX (which is a rate compiled by the International Swaps and Derivatives Association as a benchmark for global interest rate swap transactions), which could also result in a formal investigation, claims or penalties as well as incurring further legal costs. The Group has also provided information to several other agencies and governmental bodies around the world.



*All the services provided by the Group are highly competitive and competition could intensify in the future*

The Group has numerous current and prospective competitors, both domestic and international. Some of its competitors and potential competitors may have greater financial, marketing, technology and personnel resources than the Group has, or be able to offer services that are disruptive to current market structures and assumptions. As much of the Group's activity is regulated, and regulation is in the process of changing, certain of its competitors may also benefit from different regulatory status that creates a competitive advantage. Any or any combination of these relative advantages may enable various competitors to:

- develop services similar to the Group or new services that are preferred by the Group's customers;
- provide access to trading in products or a range of products that the Group does not offer;
- provide better execution and lower transaction costs;
- provide new services more quickly and efficiently than the Group can;
- offer better, faster and more reliable technology;
- take greater advantage of new or existing acquisitions, alliances and other opportunities;
- more effectively market, promote and sell their services;
- migrate products more quickly or effectively to electronic platforms which could move trading activity from the Group;
- better leverage their relationships with their customers, including new classes of customer; and
- offer better contractual terms to customers.

In addition, new or existing competitors could gain access to markets or products in which the Group currently enjoys a competitive advantage. Competitors may have a greater ability to offer novel services, or existing services to more diverse customers due to the very absence of pre-existing customer relationships. Even if new or existing competitors do not significantly erode the Group's market share, they may offer their services at lower prices, and the Group may then be required to reduce its commissions to remain competitive, which could have a material adverse effect on its profitability. Similarly any failure by the Group to attract and maintain sufficiently qualified and capable staff and management personnel could be substantially detrimental to the Group's ability to compete. If the Group fails to compete effectively for any reason, its financial condition and operating results could be materially affected.

A further consideration is that consolidation among the Group's customers in key areas of the Group's businesses may cause revenue, or key components of revenue, to be dependent on a smaller number of customers and may result in additional pricing pressure. While no single customer accounted for a material part of the Group's total revenue for the year ended 31 March 2013, if its existing customers consolidate and new customers do not generate offsetting volumes of transactions, then its revenues may become concentrated on a smaller number of customers. In that event, the Group's revenues may be dependent on its relationships with those customers to a material extent. In the future, any over-exposure to a small number of customers may adversely impact the Group's business, results of operations, financial condition or prospects if any of such customers fails or experiences financial difficulties.

Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

*The Group may be adversely affected if its reputation is harmed, including as a result of perceived or actual failures in operational and/or financial controls*

The Group is subject to the risk of loss due to customer or staff misconduct, significant operational failures or perceived failures. The Group's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, failure to securely hold client information in the Group's post trade businesses, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could cause reputational and/or financial damage to the Group as a result of litigation or regulatory proceedings against the Group.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. The Group's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised activities from the Group, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. The Group has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that (i) the relevant Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or (ii) any member of the Group (which is as a supervised firm regulated by the FCA) will be unable to comply with its obligations as a supervised firm regulated by the FCA.

*Inter-dealer broking and the resultant settlement process exposes the Group to risks that may have an impact on its liquidity and profitability*

The Group primarily brokers transactions in three different ways: as a matched principal, as an executing broker in respect of exchange traded instruments, and by name give-up.

In matched principal transactions, the Group acts as an intermediary by serving as counterparty for identified buyers and sellers in matching, in whole or in part, reciprocal back-to-back trades. In order to facilitate customer transactions, however, the Group may participate in certain marketplaces by posting quotations. Sometimes the act of posting quotations may result in having the Group act as principal on unmatched trades. In such a situation, the Group's policy is to liquidate or hedge and liquidate these principal positions as soon as reasonably practicable and this may result in a financial loss to the Group. The Group is restricted from taking proprietary trading positions under the terms of the FCA investment firm consolidation waiver.

The Group operates the majority of its matched principal business on a delivery versus payment basis (**DVP**) whereby delivery of the traded instruments, i.e. the change in their ownership, occurs at the same time, and is dependent on payment. By acting on a DVP basis the Group limits credit risk. The DVP settlement process gives rise to an intra-day funding requirement and, on occasions where the second

counterparty to a trade fails to settle the transaction on the same day as the first leg of the transaction, an overnight funding requirement.

Additionally the Group is exposed to the risk that one of the counterparties to a transaction may fail to fulfil its obligations, either because it is not matched immediately or, even if matched, because one party fails to deliver the cash or securities it is obligated to deliver. Adverse movements in the prices of securities that are the subject of these transactions can increase the risk. In addition, widespread technological or communications failures, as well as actual or perceived credit difficulties or the insolvency of one or more large or visible market participants, could cause market-wide credit difficulties or other market disruptions. These failures, difficulties or disruptions could result in a large number of market participants not settling transactions or otherwise not performing their obligations and this may result in a financial loss to the Group.

The Group is subject to financing risk in certain circumstances because if a transaction does not settle on a timely basis, the resulting unmatched position may need to be funded, either directly by it or through one of its clearing organisations at the Group's expense. These charges may be recoverable from the defaulting counterparty, but sometimes are not. In instances where the unmatched failure to deliver is prolonged or widespread due to rapid or widespread declines in liquidity for an instrument, there may also be regulatory capital charges required to be taken by the Group which, depending on their size and duration, could limit the Group's flexibility to transact other business. Credit or settlement losses of this nature could adversely affect the Group's financial condition or results of operations.

Where the Group acts as an executing broker, in its own name or via a third party in relation to exchange traded products, in the majority of cases it executes customer orders which are subsequently given up in line with market practice to the customer's account maintained by a clearing broker. In the event that the clearing broker fails to take up the position traded, this could leave the Group with a position which would then be liquidated in accordance with its policy. The liquidation of this position could result in a financial loss to the Group due to adverse movements in market value.

In name give-up transactions, the Group connects buyers and sellers of securities and other instruments, and may assist in the negotiation of price and other material terms of the transaction. At the point at which the parties agree to the terms, the Group leaves the buyer and seller to clear and settle directly with one another through the appropriate market mechanisms. The Group aims to invoice its customers on a monthly basis, which exposes the Group to credit risk on the non-recovery of commission income. A failure to recover its commission income could adversely affect the Group's financial condition or results of operations. Any delay or backlog in the process of collecting debts also increases the risk of exposure to customers that owe commission.

Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

In addition, the Group generally requires access to clearing and settlement providers and may need access to funding for payment of collateral, margin calls and other clearing charges. In the event that any of these providers are unable to provide continued clearing services or the Group is unable to obtain sufficient lines of credit to enable continued clearing and settlement and the posting of margins, this would severely limit the Group's ability to conclude trades with its customers and in extreme cases could lead to significant trade failures. Failure to meet a margin call could result in significant reputational damage under which the Group's stakeholders could call into question the Group's ability to continue to trade.

*The Group requires liquidity and access to settlement services*

Ready access to cash is essential to the Group's business, including to meet margin requirements imposed by clearing houses, to which customer transactions are submitted, and to support wider business development and operations. Its liquidity could be impaired by an inability to access lines of credit, an inability to access funds from its subsidiaries or an inability to close out customer positions or otherwise sell assets. This situation may arise due to circumstances outside the Group's control, such as a general market disruption or an operational problem that affects third parties or itself. Further, the Group's ability to liquidate customer positions or otherwise sell assets may be impaired if other market participants are seeking to sell similar assets at the same time. Any of these factors could have an adverse effect on the Group's business, results of operations, financial condition or prospects.

Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

*The proposed financial transactions tax (FTT)*

The European Commission has published a 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**).

The proposed FTT has very broad scope and could, if introduced in its current form, 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 current proposals 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 FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Additionally, the implementation of this, or any similar tax, absent a mitigating behavioural change on the part of the Group's clients, could have the effect of significantly reducing the volume of such transactions undertaken by the Group's customers. This reduction in volumes would therefore result in a reduction in the revenues of the Group.

*The Group may be adversely affected financially, either directly or indirectly, if its reputation is harmed as a result of employing mathematical and/or financial algorithms that subsequently turn out to be flawed*

The Group provides brokerage and post trade services that may use proprietary or third party software that subsequently turns out to employ incorrect mathematics, be incorrectly implemented and/or incorrectly employed. The Group could suffer a loss to its reputation and subsequent financial damage

through loss of revenue and/or litigation. The Group has systems and controls in place to prevent such mistakes; however, the risks posed by such events may not be entirely eliminated through such controls.

*The Group may have difficulty integrating and operating recent acquisitions, as well as any future acquisitions, with its existing operations*

Since 2006, the Group has seen a number of significant acquisitions. In June 2006, ICAP acquired EBS Group Limited (**EBS**), in December 2007 it acquired Traiana, Inc. (**Traiana**), in April 2008 ICAP completed the acquisition of Link Asset and Securities Company Limited (**Link**), in March 2010 ICAP completed the acquisition of TriOptima AB (**TriOptima**) and in June 2012 the Group acquired PLUS Stock Exchange Plc which was subsequently renamed as ICAP Securities and Derivatives Exchange Limited.

The integration and operation of any future acquisitions may expose the Group to the following risks:

- difficulty in integrating the acquired businesses in a cost-effective manner, including the establishment of effective management information and financial control systems;
- unforeseen legal, regulatory, contractual, labour or other issues arising out of the acquisitions;
- significant unexpected liabilities or contingencies arising from the acquisitions, for which the Group is not fully indemnified;
- potential disruptions to the Group's on-going business caused by senior management's focus on the acquired companies; and
- performance of acquired assets may not meet the Group's expectations or plans, particularly where assets are acquired in markets which subsequently decline in size.

If the Group is unable to integrate successfully its recent acquisitions or any future acquisitions, this could have a negative impact on the results of the Group's operations or financial condition. In the year ended 31 March 2013, impairments to goodwill and intangible assets totalled £81 million due principally to the writedown of goodwill and other intangible assets relating to Link. Impairments are reflected as a cost to the Group in its income statement.

Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

*The Group may need to replace, upgrade and expand its computer and communications systems in response to technological developments*

The Group needs to maintain the computer and communications systems and networks that it currently owns and operates both for network infrastructure and the electronic broking business. Any inability to maintain or replace these systems and networks adequately and without disruption could have a material effect on the performance and reliability of such systems and networks, which in turn could materially harm the Group's business.

Further, the markets in which the Group competes are characterised by rapidly changing technology, evolving customer demand and uses of its services and the emergence of new industry standards and practices that could render its existing technology and systems obsolete. The Group's future success will

depend in part on its ability to anticipate and adapt to technological advances, evolving customer demands and changing standards in a timely, cost-efficient and competitive manner and to upgrade and expand its systems accordingly. Any upgrades or expansions in technology and the use of technology may require significant expenditures of funds.

The Group may not have sufficient funds to update and expand its networks adequately, and any upgrade or expansion attempts may not be successful and accepted by the marketplace and its customers. Failure to update and expand its systems and networks adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards would have a material effect on the Group's operations and financial condition. Specifically, development by the Group's competitors of new electronic trade execution or market information products that gain acceptance in the market could give those competitors a "first mover" advantage that may be difficult for the Group to overcome with its own technology.

*Systems or facilities failure, capacity constraints or external factors (including power outages or terrorist action) could limit the Group's ability to conduct its operations*

The Group is heavily dependent on the capacity and reliability of the computer and communications systems and facilities supporting its operations, whether owned and operated internally or by third parties. These computer and communications systems and facilities may suffer performance degradation or failure for any number of reasons, including loss of power, acts of war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism, customer error or misuse, lack of proper maintenance or monitoring and similar events. If such a degradation or failure were to occur, it could cause:

- unanticipated disruptions in service to the Group's customers;
- slower response times;
- delays in trade execution;
- failed settlement of trades; and
- incomplete or inaccurate accounting, recording or processing of trades.

Further, if the Group's business continuity plans do not operate effectively, they may not be adequate to correct or mitigate the effects of any of the above eventualities. In addition, the business continuity plans or personnel of its third-party service providers may not be adequate to correct or mitigate any of the above eventualities or be implemented properly. The occurrence of degradation or failure of the communications and computer systems and facilities on which the Group relies may lead to financial losses, litigation or arbitration claims filed by or on behalf of its customers. Any such degradation or failure could also have a negative effect on the Group's reputation, which in turn could cause it to lose existing customers to its competitors or make it more difficult for it to attract new customers in the future. Such an eventuality could have an adverse impact on the Group's business, results of operations, financial condition and/or prospects.

Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that (i) the relevant Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or (ii) any member of the Group (which is a supervised firm regulated by the FCA) will be unable to comply with its obligations as a supervised firm regulated by the FCA.

*The Group may be adversely affected if it is not able to protect its Intellectual Property rights*

The Group protects its intellectual property by relying upon a combination of trademark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with its affiliates, customers, strategic partners and others. The protective steps the Group has taken may be inadequate to deter misappropriation of its proprietary information. Also, the defence of its intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the Group's business, financial condition and operating results.

The Group also takes measures to avoid infringing any third party's intellectual property rights. Any third party claim could be substantial in its own right, and also impact the ability of the Group to continue providing certain services or launch new ones.

*The Group's future success depends to a significant degree upon the continued contributions and retention of its key personnel*

The Group's future success will depend greatly upon the expertise and continued services of certain key personnel. Nevertheless, the Group's business, its results or operations and financial condition may be adversely affected by the departure of one or more key members of personnel.

The Group's future success depends upon the efforts of its qualified and highly trained personnel, and upon its ability to recruit, retain and motivate such personnel, particularly in light of the rapid pace of technological advances. However, the Group believes that it takes reasonable steps, including in many cases, the use of fixed term services agreements with staggered renewal dates and non-compete provisions, to lessen the impact of departure of a team or a key member of personnel. The level of competition for such skilled individuals is intense. If the Group is not able to attract and retain highly skilled employees, or it incurs increased costs associated with attracting and retaining personnel, it could have a material adverse effect on its operations and financial condition and consequently on its operating results.

*Customers and counterparties that owe the Group money, securities or other assets may default on their obligations to the Group due to bankruptcy, lack of liquidity, operational failure or other reasons*

Although the Group regularly reviews and limits its credit exposure to specific customers and counterparties to address credit concerns, default risk may arise from events or circumstances that are difficult to detect or foresee. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect the Group's business, results of operations, financial condition or prospects. The Group may be adversely affected in the event of a significant default by its customers and counterparties, as it may suffer a shortfall in revenues and other payments due from those parties. Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

*The Obligors are holding companies and their financial performance is dependent, in part, upon other members of the Group.*

ICAP is the ultimate holding company of the Group. ICAP's financial condition depends upon the results of its financing and investment activities (principally through the issuance of listed equity securities), as well as upon the receipt of funds provided by other members of the Group. The ability of ICAP to meet its obligations and make payments in respect of the Notes will depend, in part, upon receipt by it of funds provided by other members of the Group. No assurance can be given that ICAP will be successful in its financing and investment activities, or that it will receive adequate funding to maintain its financial condition. These factors could materially affect ICAP's ability to make payment on the Notes.

IGHP, which is wholly owned<sup>1</sup> by ICAP, is the holding company of a number of the Group's significant operating companies, including ICAP Europe Limited, ICAP America Investments Limited, ICAP Holdings (Asia Pacific) Limited, TriOptima AB, ICAP Holdings Limited and their respective subsidiaries (together **the IGHP Subsidiaries**) see "Description of the Obligors – Group Structure" on page [58]. IGHP is also the borrower under a number of the Group's principal credit facilities. IGHP's financial condition depends upon the results of its financing and investment activities, as well as upon receipt of funds provided by the IGHP Subsidiaries. The ability of IGHP to meet its obligations and make payments in respect of the Notes will depend, in part, upon the receipt by it of funds provided by the IGHP Subsidiaries. No assurance can be given that IGHP will be successful in its financing and investment activities, or that it will receive adequate funding to maintain its financial condition. These factors could materially affect IGHP's ability to make payment in respect of the Notes.

Many of the Group's operating entities are financially regulated, and are required at all times to hold regulatory capital, often in excess of their ordinary working capital. In the event that a regulated Group company has an unforeseen outflow of funds, regulatory capital can only be applied to assure its orderly restructuring or wind down and therefore limited cash may be available to the rest of the Group in such circumstances.

*Exchange rate fluctuations could negatively affect the Group's financial condition and results of operations*

The Group is subject to risks of currency exchange rate fluctuations since it earns a substantial portion of its revenue in currencies other than the pound sterling, particularly the US dollar and euro. Fluctuations in currency exchange rates can adversely impact, on a pound sterling equivalent basis, the amount of the Group's earnings and net asset value.

## **Risks Relating to the Industry**

*Changes in domestic and international market factors that reduce activity levels could significantly harm the Group*

The Group generates revenues primarily from commissions it earns by facilitating and executing customer orders. These revenue sources are substantially dependent on customer trading volumes. The volume of transactions its customers conduct with it is directly affected by domestic and international market factors that are beyond the Group's control, such as: economic, political and market developments; broad trends in industry and finance; changes in trading patterns in the broader marketplace; price levels and price volatility in the securities markets; legislative and regulatory changes; actions of competitors; changes in government monetary policies; foreign exchange rates; and inflation.

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<sup>1</sup> A single £1 ordinary share of IGHP is owned by Intercapital Limited, with the remaining 233,478,000 shares owned by ICAP plc



Any material decrease in trading volumes as a result of these factors could have a material adverse effect on the Group, its financial condition and operating results. Any reduction in the Group's revenues, or increase in the Group's costs may have a negative impact on investors' perception of the Group and cause the market price of the Notes to decline, thereby resulting in a potential loss to an investor who purchased their Notes at a time when the prevailing market price was higher. In extreme circumstances, if the reduction in revenues cannot be adequately mitigated, or occurs in conjunction with one or more additional negative developments affecting the business of the Group, this may impact the Issuer's (or, if applicable, the Guarantor's) ability to make payments on the Notes.

## **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:

#### *Guarantee*

ICAP is the holding company of IGHP. On 31 March 2009, ICAP transferred its obligations under the Group's core committed bank facilities to IGHP and during April and May 2009 a number of the Group's outstanding transactional foreign exchange hedge exposures (namely the arrangements relating to offsetting foreign exchange risks) were also transferred to IGHP from Intercapital Limited. At 30 September 2013, IGHP had £93 million of outstanding borrowings under the core bank facilities and had access to a further £379 million of committed funding. IGHP's borrowings are unsecured.

In order to ensure that investors are not disadvantaged by the transfer of ICAP's obligations to IGHP, IGHP has given a guarantee of the obligations of ICAP in respect of Notes issued by ICAP. The Guarantee will rank equally with present and future senior indebtedness of IGHP. Senior indebtedness means indebtedness which is the most senior ranking indebtedness of the relevant entity which does not have the benefit of any security. If in the future the Group identifies operational efficiencies in reinstating ICAP as the principal borrower under the Group's committed bank facilities, the terms of the Trust Deed provide that IGHP will be released from its obligations in respect of the Guarantee (including obligations in respect of any outstanding Notes) once the transfer of the Group's bank facilities to ICAP has been completed and provided that IGHP does not have any other outstanding Financial Indebtedness (as defined in Condition 4(c)).

#### *Notes subject to optional redemption by the relevant Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant 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 relevant 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.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

### *Notes issued at a substantial discount or premium*

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 the securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

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

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

#### *The Notes are not protected by the Financial Services Compensation Scheme (FSCS)*

Unlike a bank deposit, Notes issued under the Programme are not protected by the FSCS. As a result, neither the FSCS nor anyone else will pay compensation to investors upon the failure of the Issuer or, in the case of Notes guaranteed by IGHP, the Guarantor. If the Issuer or, in the case of Notes guaranteed by IGHP, the Guarantor goes out of business or becomes insolvent, investors may lose all or part of their investment in Notes issued under the Programme.

#### *Risks relating to holding CREST Depositary Interests*

CREST Depositary Interests are separate legal obligations distinct from the Notes and CDI Holders will be subject to additional provisions other than the Terms and Conditions of the Notes.

Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (**CREST**) allows holders of notes to hold notes in a dematerialised form, rather than holding physical notes. Instead of issuing physical notes, CREST issues what are known as depositary interests which are held and transferred through CREST (**CDIs**), representing the interests in the relevant Notes underlying the CDIs (the **Underlying Notes**). Holders of CDIs (the **CDI Holders**) will not be the legal owners of the Underlying Notes. The rights of CDI Holders to the Underlying Notes are represented by the relevant entitlements against CREST Depositary Limited (the **CREST Depositary**) which (through CREST International Nominees Limited (the **CREST Nominee**)) holds interests in the Underlying Notes. Accordingly, rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians. The enforcement of rights under the Underlying Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Underlying Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the relevant Issuer, including the global deed poll dated 25th June, 2001 (as subsequently modified, supplemented and/or restated) (**CREST Deed Poll**). Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service (the **CREST Rules**) contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of, and returns received by, CDI Holders may differ from those of holders of Notes which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service (the **CREST International Settlement Links Service**). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.

Potential investors should note that none of the Obligors, the relevant Dealer, BNY Mellon Corporate Trustee Services Limited (the **Trustee**) and the Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

For further information on the issue and holding of CDIs see the section entitled “*Book-Entry Clearing Systems – Crest Depository Interests*” in this Base Prospectus.

#### *Modification, waivers and substitution*

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

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interest 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 relevant Issuer, in the circumstances described in Condition 15.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg government announced its intention to abolish

the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the relevant Issuer, IGHP, as guarantor in respect of Notes issued by ICAP, any Paying Agent and any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

*Foreign Account Tax Compliance withholding may affect payments on the Notes*

The U.S. “Foreign Account Tax Compliance Act” (or **FATCA**) imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) “foreign passthru payments” made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

While the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. An Issuer’s obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the clearing systems (as bearer or registered holder of the Notes) and an Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries. Prospective investors should refer to the section “*Taxation – Foreign Account Tax Compliance Act.*”

*Bearer Notes where denominations involve integral multiples: definitive Bearer Notes*

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination and 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, 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 Bearer Note in respect of such holding (should definitive Bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum Specified Denomination.

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

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

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

### *The secondary market generally*

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

Further, if an investor chooses to sell its Notes in the open market at any time prior to maturity of the Notes, the price the investor will receive from a purchaser may be less than its original investment, and may be less than the amount due to be repaid at maturity of the Notes if the investor were to hold onto the Notes until then. Factors that will influence the price received by investors who choose to sell their Notes in the open market may include, but are not limited to, market appetite, inflation, the period remaining to maturity of the Notes, prevailing interest rates and the financial position of the relevant Issuer and/or the Guarantor (if applicable).

### *Exchange rate risks and exchange controls*

The relevant Issuer and the Guarantor (if applicable) will pay principal and interest on the Notes or, as the case may be, under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Specified Currency or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer or the Guarantor 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.

### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

### *Credit ratings may not reflect all risks*

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

In general, European regulated investors are restricted under Regulation (EU) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings applicable to the Issuers is set out on the cover of this Base Prospectus.

#### *Changes in interest rates or inflation rates may adversely affect the value of Fixed Rate Notes*

Fixed Rate Notes bear interest at a fixed rate rather than by reference to an underlying index or reference rate. Accordingly, investors should note that if interest rates rise, then the income payable on the Fixed Rate Notes might become less attractive and the price that they could realise on a sale of the Fixed Rate Notes may fall. However, the market price of Notes issued under the Programme from time to time has no effect on the total income investors receive on maturity of the Notes if they hold the Notes until the relevant maturity date.

Further, inflation will reduce the real value of the Fixed Rate Notes over time, which may affect what investors could buy with their investment in the future and may make the fixed rate payable on the Fixed Rate Notes less attractive in the future, again affecting the price that they could realise on a sale of the Fixed Rate Notes.

#### *Yield*

Any indication of yield (i.e. the income return on the Notes) stated within the applicable Final Terms applies only to investments made at (as opposed to above or below) the issue price of the relevant Notes. If an investor invests in the Notes at a price other than the issue price of the Notes, the yield on the investment will be different from any indication of yield on the Notes as set out in the applicable Final Terms.

#### *Realisation from sale of Notes*

If an investor chooses to sell its Notes at any time prior to their maturity, the price received from such sale could be less than the original investment. Factors that will influence the price may include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the current financial position and an assessment of the future prospects of the relevant Issuer.

#### *The clearing systems*

Because the Global Note relating to each Series may be held by or on behalf of Euroclear and Clearstream, Luxembourg, or the Depository Trust Company (**DTC**), investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer.

The Notes in each Series will be represented by a Global Note. Such Global Note may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with a custodian for DTC. Except in the circumstances described in the Global Note, investors will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg or, as the case may be, DTC will maintain records of the interests in the relevant Global Note. While any Notes issued under the Programme are represented by a Global Note, investors will be able to trade their interests only through Euroclear or Clearstream, Luxembourg or, as the case may be, DTC.

While Notes are represented by a Global Note, the relevant Issuer will discharge its payment obligations under such Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg or the custodian for DTC for distribution to their account holders. A holder of an interest in the Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg or, as the case may be, DTC to receive payments under the Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in any Global Note.

Holders of interests in a Global Note will not have a direct right to vote in respect of the Notes represented by such Global Note. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg or, as the case may be, DTC.

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# 3

## INFORMATION ABOUT THE PROGRAMME

**The following is an overview of the Programme.**

The full Terms and Conditions of the Notes are contained in Appendix B. It is important that investors read the entirety of this Base Prospectus, including the Terms and Conditions of the Notes, together with any supplement to this Base Prospectus and the applicable Final Terms, before deciding to invest in any Notes issued under the Programme. If investors have any questions, they should seek advice from their financial adviser or other professional adviser before deciding to invest.



## INFORMATION ABOUT THE PROGRAMME


		Refer to
<b>What is the Programme?</b>	<p>The Programme is a debt issuance programme under which either ICAP plc (<b>ICAP</b>) or ICAP Group Holdings plc (<b>IGHP</b>) as the issuer may, from time to time, issue debt instruments which are referred to in this Base Prospectus as the Notes. Notes are also commonly referred to as bonds. References to an <b>Issuer</b>, the <b>relevant Issuer</b> or the <b>relevant Obligor</b> are to ICAP or IGHP, as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to <b>Obligors</b> shall mean both of them. The payment of all amounts owing in respect of Notes issued by ICAP will, in certain circumstances, be unconditionally and irrevocably guaranteed by IGHP under its guarantee in respect of such Notes (the <b>Guarantee</b>) (in such capacity, IGHP is referred to as the <b>Guarantor</b>).</p> <p>The Programme is constituted by a set of master documents containing standard terms and conditions and other contractual provisions that can be used by the relevant Issuer to undertake any number of issues of Notes from time to time in the future, subject to a maximum limit of £1,000,000,000. These Terms and Conditions are set out in Appendix B.</p> <p>The Programme was established on 16 June 2008.</p>	Appendix B ( <i>Terms and Conditions of the Notes</i> )
<b>How are Notes issued under the Programme?</b>	<p>Whenever an Issuer decides to issue Notes, it undertakes what is commonly referred to as a “drawdown”. On a drawdown, documents which are supplementary to the Programme master documents are produced, indicating which provisions in the master documents are relevant to that particular drawdown and setting out the terms of the Notes to be issued under the drawdown. The key supplementary documents which investors will need to be aware when deciding whether to invest in Notes issued as part of a drawdown over the 12 month period from the date of this Base Prospectus are: (a) any supplement to this Base Prospectus and (b) the applicable Final Terms.</p> <p>In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and, in the case of Notes guaranteed by IGHP, the Guarantor, and the rights attaching to the Notes, the Obligors will prepare and publish a supplement to this Base Prospectus or prepare and publish a new Base Prospectus, in each case, for use in connection with such Notes and any subsequent issue of Notes.</p> <p>Each Final Terms is a pricing supplement to this Base Prospectus (as supplemented or replaced from time to time) which sets out the specific terms of each issue of Notes under the Programme. Each Final Terms is intended to be read alongside the Terms and Conditions of the Notes set out in Appendix B, and the two together provide the specific terms of</p>	Appendix B ( <i>Terms and Conditions of the Notes</i> ) and Appendix D ( <i>Form of Final Terms</i> )


		Refer to
	<p>the Notes relevant to a specific drawdown.</p> <p>Each Final Terms may be submitted to the Financial Conduct Authority (the <b>FCA</b>) and the London Stock Exchange plc or to ISDX or to another stock exchange and published by the relevant Issuer in accordance with the Prospectus Directive.</p>	
<b>What types of Notes may be issued under the Programme?</b>	<p>The following types of Notes, or a combination of them, may be issued under the Programme: Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes.</p> <p>Fixed Rate Notes are Notes where the interest rate payable by the relevant Issuer on the Notes is fixed as a set percentage at the time of issue.</p> <p>Floating Rate Notes are Notes where the interest rate is calculated by reference to a fluctuating benchmark rate. Under the Programme, that benchmark rate will be either the Euro Interbank Offered Rate (<b>EURIBOR</b>) or the London Interbank Offered Rate (<b>LIBOR</b>). The floating interest rate is calculated on or about the start of each new interest period and applies for the length of that interest period. Therefore, Floating Rate Notes in effect have a succession of fixed interest rates which are recalculated on or about the start of each new interest period. Although the floating interest rate will be based on the benchmark rate, it will typically also include a fixed percentage margin which is added to (or subtracted from) the benchmark rate.</p> <p>Zero Coupon Notes are Notes which do not carry any interest but are generally issued at a deep discount to their nominal amount. Zero Coupon Notes are repaid at their full amount. Therefore, if investors purchase Zero Coupon Notes on their issue date and hold them to maturity, their return will be the difference between the issue price and the nominal amount of the Zero Coupon Notes paid on maturity. Alternatively, they might realise a return on Zero Coupon Notes through a sale prior to their maturity.</p> <p>The specific details of each Note issued will be specified in the applicable Final Terms.</p>	Appendix B ( <i>Terms and Conditions of the Notes</i> ) and Appendix D ( <i>Form of Final Terms</i> )
<b>What is the relationship between the Issuer and the Group?</b>	<p>All references to the <b>Group</b> are to ICAP, its subsidiaries (which includes IGHP) and its subsidiary undertakings taken as a whole. ICAP is the ultimate holding company of the Group. ICAP's financial condition depends upon the results of its financing and investment activities, as well as upon the receipt of funds provided by other members of the Group. IGHP, which is wholly owned by ICAP, is in turn the holding company of a number of the Group's significant operating companies, including ICAP Securities Limited, ICAP America Investments Limited, ICAP Holdings (Asia Pacific) Limited, ICAP Holdings Limited and their respective subsidiaries.</p>	Section 5 ( <i>Description of the Obligors–Group structure</i> )
<b>Why has the Programme</b>	<p>The Obligors established the Programme in order to diversify their sources of funding and the debt maturity profile of the Group. The net</p>	Appendix D ( <i>Form of Final</i> )

		Refer to
<b>been established? What will the proceeds be used for?</b>	proceeds from each issue of Notes will be applied by the Obligors for their general corporate purposes. If, in respect of any particular issue of Notes under the Programme there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.	<i>Terms)</i>
<b>Have any Notes been issued under the Programme to date?</b>	As of the date of this Base Prospectus ICAP has made two drawings under the Programme and IGHP has made one drawing under the Programme.  Two of those Series of Notes have been admitted to trading on the regulated market of the London Stock Exchange.	N/A
<b>How will the price of the Notes be determined?</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer or Dealers at the time of “pricing” of the Notes in accordance with prevailing market conditions. The issue price for each tranche will be specified in the applicable Final Terms.	N/A
<b>What is the yield on Fixed Rate Notes and Zero Coupon Notes?</b>	The yield in respect of each issue of Fixed Rate Notes and Zero Coupon Notes will be calculated on the basis of the Issue Price and specified in the applicable Final Terms. Yield is not an indication of future price. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield.	N/A
<b>Will the Notes issued under the Programme be secured?</b>	The relevant Issuer’s obligations to pay interest and principal on the Notes issued under the Programme will not be secured either by any of the relevant Issuer’s or any other member of the Group’s assets, revenues or otherwise.	N/A
<b>Will the Notes issued under the Programme be guaranteed?</b>	The payment of all amounts owing in respect of Notes issued by ICAP will, for so long as IGHP has any outstanding financial indebtedness, be unconditionally and irrevocably guaranteed by IGHP.	
<b>Will the Notes issued under the Programme have a credit rating?</b>	A Series of Notes issued under the Programme may be rated by a credit rating agency or unrated. Such ratings will not necessarily be the same as the rating assigned to the relevant Issuer or to any other Series of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.	N/A
<b>Will the Notes issued under the Programme have voting rights?</b>	Holders of Notes issued under the Programme have certain rights to vote at meetings of Noteholders of the relevant Series, but are not entitled to vote at any meeting of shareholders of the relevant Issuer or of any other member of the Group.	Appendix B ( <i>Terms and Conditions of the Notes – Meetings of Noteholders, modification, waiver and substitution</i> )
<b>Will I be able to trade the</b>	Applications have been made (i) to the Financial Conduct Authority in its capacity as competent authority for Notes issued under the Programme	Section 9 ( <i>Additional</i>

		Refer to
<b>Notes issued under the Programme?</b>	<p>during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the UK Listing Authority, (ii) to the London Stock Exchange plc for such Notes to be admitted to trading on the London Stock Exchange's regulated market and (iii) to ICAP Securities and Derivatives Exchange Limited (<b>ISDX</b>) for the Notes to be admitted to trading on ISDX's Main Board.</p> <p>Once listed, Notes may be purchased or sold through a broker. The market price of Notes may be higher or lower than their issue price depending on, among other things, the level of supply and demand for such Notes, movements in interest rates and the financial performance of the relevant Issuer and the Group. See Section 2 (<i>Risk Factors – Risks related to the market generally – There may not be a liquid secondary market for the Notes and their market price may be volatile</i>).</p>	<i>Information – Listing and admission to trading of the Notes</i>
<b>What will Noteholders receive in a winding up of the Issuer and or the Guarantor (where the relevant Issuer is ICAP)?</b>	<p>If the relevant Issuer and/or the Guarantor (where the relevant Issuer is ICAP), becomes insolvent and is unable to pay its debts, an administrator or liquidator would be expected to make distributions to its creditors in accordance with a statutory order of priority. An investor's claim as a Noteholder would be expected to rank after the claims of any holders of the relevant Obligor's secured debt or other creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of the relevant Obligor's shareholders.</p> <p>Two simplified diagrams are set out below: the first is based on an issue by IGHP illustrating the expected ranking of the Notes compared to IGHP's other creditors; and the second is based on an issue by ICAP illustrating the expected ranking of the Notes compared to ICAP's other creditors is set out below.</p> <p>Please note that in the case of notes issued by ICAP, which will be guaranteed by IGHP, the following first diagram will be applied to ICAP and IGHP if, on an insolvency of ICAP, IGHP fails to make payment to Noteholders under the Guarantee:</p>	Section 6 ( <i>Description of the Obligors – Group structure</i> )



<b>Type of obligation</b>		<b>Examples of ICAP's obligations/securities</b>	
	Higher ranking	Proceeds of fixed charged assets of ICAP	<b>Currently None</b>
		Expenses of the liquidation/administration	<b>Currently None</b>
		Preferential creditors	Including remuneration due to ICAP's employees
		Proceeds of floating charge assets of ICAP	<b>Currently None</b>
		Unsecured obligations	<b>Notes issued under the Programme</b> and other unsecured obligations
Lower ranking		Shareholders	ICAP's ordinary shareholders
<p>However, as well as being aware of the ranking of the Notes issued under the Programme compared to the other categories of creditor and the shareholders of the relevant Issuer, investors should note that both ICAP and IGHP hold a substantial majority of their respective assets in their subsidiaries.</p> <p>An Issuer's rights (and, where relevant, the Guarantor's rights) to participate in a distribution of its subsidiaries' assets upon their liquidation, re-organisation or insolvency is generally subject to any claims made against the subsidiaries, including secured creditors such as any lending bank and trade creditors. The obligations of an Issuer under any Notes issued by it and of the Guarantor (where the relevant Issuer is ICAP) are therefore structurally subordinated to any liabilities of that entity's subsidiaries. Structural subordination in this context means that, in the event of a winding up or insolvency of that entity's subsidiaries, any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of that entity (i.e. including Noteholders).</p> <p>A simplified diagram illustrating the structural subordination of an</p>			

	Issuer's obligations (in this example, IGHP) under the Notes to any liabilities of IGHP's subsidiaries is set out below by way of example, by reference to a subsidiary of IGHP, ICAP Securities Limited ( <b>ISL</b> ):	
	<b>Type of obligation</b>	<b>Examples of ISL's obligations/securities</b>
	Higher ranking Proceeds of fixed charged assets of ISL	<b>Currently None</b>
		Expenses of the liquidation/administration
		Preferential creditors Including remuneration due to ISL's employees
		Proceeds of floating charge assets of ISL
		Unsecured obligations <b>E.g. trade creditors</b>
	Lower ranking Shareholders	ISL's sole shareholder, IGHP
<b>Who will represent the interests of the Noteholders?</b>	BNY Mellon Corporate Trustee Services Limited (the <b>Trustee</b> ) is appointed to act on behalf of the Noteholders as an intermediary between Noteholders and the relevant Issuer and the Guarantor (if applicable) throughout the life of any Notes issued under the Programme. The main obligations of the relevant Issuer and the Guarantor (if applicable) (such as the obligation to pay and observe the various covenants in the Terms and Conditions of the Notes) are owed to the Trustee. These obligations are, in the normal course, enforceable by the Trustee only, not the Noteholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Obligors, the Trustee's role is to protect the interests of the Noteholders as a class.	
<b>Can the Terms and Conditions of the Notes</b>	The Terms and Conditions of the Notes provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to: (a) waive, modify or authorise any breach or proposed breach of the Notes	

<b>be amended?</b>	or the Trust Deed or determine that any event of default or potential event of default should not be treated as such. if, in the opinion of the Trustee, such modification, proposed breach, breach or determination is not prejudicial to the interests of the Noteholders; or (b) any modification of any of the provisions of the Trust Deed that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest or proven error; (c) the substitution of another company as principal debtor under the Notes in place of the Issuer, in certain circumstances, and subject to the satisfaction of certain conditions. Noteholders may also sanction a modification of the Terms and Conditions of the Notes by passing an Extraordinary Resolution.	<i>Meetings of Noteholders, modification, waiver and</i>
<b>What if I have further queries?</b>	If investors are unclear in relation to any matter, or uncertain if the Notes issued under the Programme are a suitable investment, they should seek professional advice from their broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.	N/A



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# 4

## TAXATION

**If investors are considering applying for Notes issued under the Programme, it is important that they understand the taxation consequences of investing in those Notes. Investors should read this section and discuss the taxation consequences with their tax adviser, financial adviser or other professional adviser before deciding whether to invest.**

## TAXATION

### Introduction

All references to an **Issuer** or the **relevant Issuer** are to ICAP plc or ICAP Group Holdings plc, as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to **Issuers** or **Obligors** shall mean both of them. The payment of all amounts owing in respect of Notes issued by ICAP will, in certain circumstances, be unconditionally and irrevocably guaranteed by IGHP (in such capacity, IGHP is referred to as the **Guarantor**).

### U.S. Federal Income Taxation

The applicable Final Terms relating to any Tranche of Notes, all or a portion of which are to be offered or sold to, or for the account or benefit of, a U.S. person may set forth information regarding the U.S. federal income tax treatment of any such Notes. U.S. persons considering the purchase of Notes should consult their own tax advisers concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of Notes arising under the laws of any other taxing jurisdictions.

### U.K. Taxation

**The following applies only to persons who are the beneficial owners of Notes and is an overview of the Obligors' understanding of current law and HM Revenue & Customs' (HMRC) published practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.**

#### *Interest on the Notes*

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. 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 FSMA) and admitted to trading on the London Stock Exchange. The ICAP Securities and Derivatives Exchange Limited (**ISDX**) is also a recognised stock exchange. Securities will be treated as listed on the ISDX if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the ISDX's Main Board. Notes to be traded on a recognised stock exchange outside the United Kingdom will be treated as listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. Provided, therefore, that the Notes remain listed on a recognised stock exchange, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

#### *Payments by Guarantor*

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 United Kingdom withholding tax at the basic rate (currently 20%) subject to such relief as may be available following a direction by HMRC pursuant to 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 exemptions described above.

#### *Other Rules Relating to United Kingdom Withholding Tax*

Notes may be issued at an issue price of less than 100 % of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined below.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above and reporting requirements as outlined below.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position does not consider the tax consequences of any substitution of the relevant Issuer as provided by Condition 15.

#### *Provision of Information*

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more

than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

HMRC has indicated that it will not use its information-gathering power on interest to obtain information about amounts payable on the redemption of deeply discounted securities which are paid before 6 April 2014.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

### **The Proposed Financial Transactions Tax (FTT)**

The European Commission has published a proposal for a Directive for a common FTT in the participating Member States.

The proposed FTT has very broad scope and could, if introduced in its current form, 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 current proposals 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 FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of an Issuer (a **Recalcitrant Holder**). The Issuers may be classified as FFIs.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the **grandfathering date**, which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **US-UK IGA**) based largely on the Model 1 IGA.

If the Issuers are classified as FFIs, the Issuers expect to be treated as Reporting FIs pursuant to the US-UK IGA and do not anticipate being obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuers will be treated as Reporting FIs, or that they would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Issuers and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

While the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by an Issuer, any paying agent and the common depositary or common safekeeper, given that each of the entities in the payment chain beginning with the Issuer and ending with the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be

taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive securities will only be printed in remote circumstances.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to an Issuer and to payments they may receive in connection with the Notes.**

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER

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# 5

## DESCRIPTION OF THE OBLIGORS

This section sets out information about the Issuer and its group of companies.

## DESCRIPTION OF THE OBLIGORS

### Introduction

All references to the **Group** are to ICAP plc (**ICAP**), its subsidiaries (which includes ICAP Group Holdings plc (**IGHP**)) and its subsidiary undertakings taken as a whole.

ICAP, through its subsidiaries, is a markets operator and provider of post trade risk mitigation and information services. The Group matches buyers and sellers in the wholesale markets in interest rates, credit, commodities, FX, emerging markets and equity derivatives through voice and electronic networks. Through its post trade risk mitigation and information services, the Group helps customers manage and mitigate risks in their portfolios. The Group intermediates an average daily transaction volume of \$1.3 trillion on behalf of its customers. The Group employs in excess of 4,900 staff.

ICAP was incorporated and registered in England and Wales on 3 August 1998 as a public limited company under the Companies Act 1985 with registered number 03611426 and name CAPITALRETURN plc. On 5 August 1998 it changed its name to Garban plc, which was subsequently demerged from United Business Media plc (**UBM**). Exco plc acquired the wholesale broking operations of IPGL Limited by means of a reverse take-over in October 1998 and changed its name to Intercapital plc. In 1999 Garban plc merged with Intercapital plc and changed its name to Garban-Intercapital plc on 9 September 1999. On 25 July 2001 it changed its name to ICAP plc.

IGHP was registered in England and Wales on 10 September 2008 as a private limited company under the Companies Act 1985 with registered number 6694512 and subsequently changed its status to a public limited company on 29 June 2009. As at the date of this Base Prospectus, IGHP had paid-up ordinary share capital of £233,478,001, consisting of 233,478,001 shares of £1 each.

The Group's head office, together with the registered office of ICAP and IGHP, is 2 Broadgate, London EC2M 7UR, telephone number +44 (0) 20 7000 5000.

### Activities

The Group's business involves the provision of specialist broking services to trading professionals in the global wholesale financial markets across a broad range of over the counter (**OTC**) and exchange listed financial products and services in interest rates, foreign exchange, commodities (including shipping), emerging markets, credit and equity markets and also provides its customer base with access to post-trade services, data and market commentary. The Group strives to add value to its customers by (i) improving price discovery and transparency, (ii) providing, where applicable, anonymity and confidentiality, (iii) facilitating information flow and (iv) enhancing liquidity.

The Group has successfully built its voice broking business whilst at the same time establishing the largest electronic broking network in its industry. The Group has been at the forefront of the industry's move to electronic broking platforms, with the operational leverage and operating margin benefits this provides. In many markets that have moved to an electronic trading platform, trading has concentrated on two or three interdealer brokers, thereby benefiting the larger players in the industry who have the scale and infrastructure to compete.

Recent years have seen increased focus by global regulatory authorities to ensure that the infrastructure behind the OTC markets is robust. Through the provision of post-trade processing, portfolio compression and reconciliation and risk management services, through its subsidiaries Traiana Inc. (**Traiana**), TriOptima AB (**TriOptima**) and Reset PTE Limited (**Reset**), the Group is well positioned to respond to its customers' demands, to improve the efficiency of post-trade processing and reduce the capital allocated to existing positions.



The Group provides brokerage services to its customers primarily in the form of agency transactions (also known as “name give-up”), matched principal transactions or as an executing broker on an exchange. In name give-up transactions, the Group connects buyers and sellers and may assist in the negotiation of the price and other material terms of the transaction. At the point at which the parties agree to terms, the Group leaves the buyer and the seller to clear and settle directly with one another through the appropriate market mechanism.

Where the Group acts as an executing broker, either via its own membership or via a third party, in relation to exchange traded products, the Group executes customer orders on an exchange, which are subsequently given up in line with market practice to the customer’s account maintained by a clearing broker. In the event that the clearing broker fails to take up the position traded, this could leave the Group with a position which would then be liquidated in accordance with its policy.

In matched principal transactions, the Group acts as an intermediary by serving as counterparty for identified buyers and sellers in matching, in whole or in part, reciprocal back-to-back trades. In order to facilitate customer transactions and provide liquidity, the Group may participate in certain marketplaces by posting quotations. Sometimes, the act of posting quotations may result in having the Group act as principal on unmatched trades. In such a situation, the Group’s policy is to liquidate or hedge and liquidate these principal positions as soon as reasonably practicable. Only a very small proportion of the Group’s transactions result in any exposure to market risk and compliance with the Group’s policies is monitored by the risk and compliance functions and by senior management. The Group is restricted from taking proprietary trading positions under the terms of the Financial Conduct Authority (the **FCA**) investment firm consolidation waiver.

The Group serves a number of different product markets across the Americas, Europe and Asia Pacific regions: these include interest rates, foreign exchange, commodities, emerging markets, credit and equities. The breakdown of the Group’s revenues by market and operating profits by division is set out below.

Market	Revenue (£m)	Revenue (£m)
	(as at 31 March 2013)	(as at 31 March 2012)
Rates .....	586	649
Foreign exchange and money markets .....	339	374
Commodities .....	190	204
Emerging markets .....	142	167
Credit .....	108	154
Equities .....	107	133
Total .....	1,472	1,681

Division / Region	Operating Profit <sup>2</sup> (£m) (as at 31 March 2013)	Operating Profit <sup>3</sup> (£m) (as at 31 March 2012)
Global Broking - EMEA .....	77	105
Americas .....	34	42
Asia Pacific .....	(6)	6
Electronic Markets .....	113	127
Post Trade Risk and Information .....	90	92
Total .....	308	372

As with all businesses, risk is inherent in the Group's businesses and the effective identification, monitoring and management of risk are seen as essential factors in the Group's overall performance. The business model, in which the Group does not deliberately or systematically expose itself to material market risk, exposes the Group to limited market risk and as a result of the Group's highly diversified customer base (which includes the world's leading commercial and investment banks), credit risk can also be viewed as low.

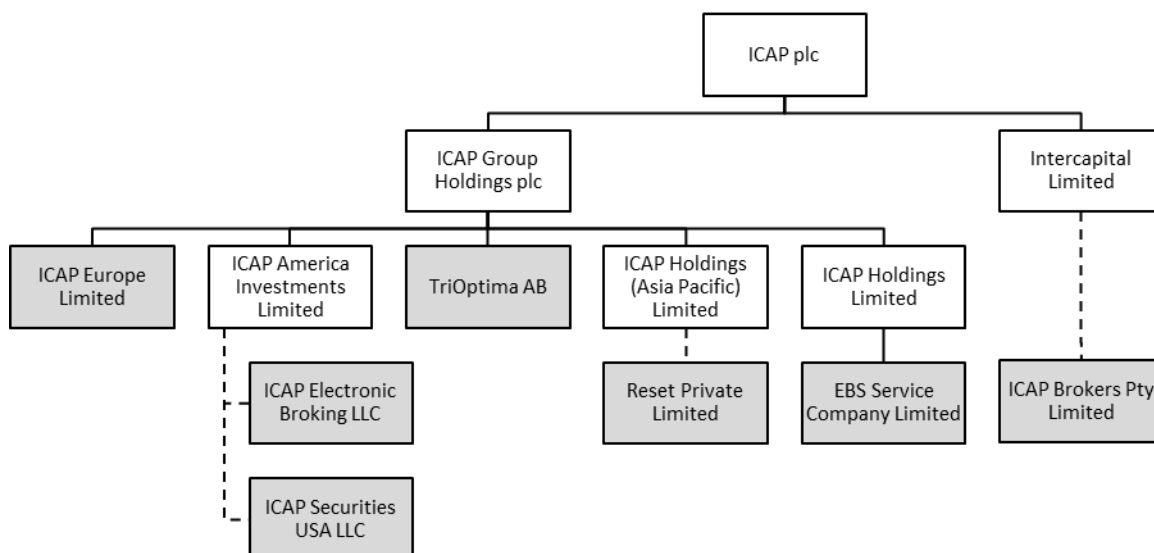
The ordinary share capital of ICAP is traded on the London Stock Exchange and ICAP had a market capitalisation of approximately £2.5 billion, as of 25 September 2013. ICAP owns 100% of the ordinary share capital of IGHP either directly or indirectly.

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<sup>2</sup> Before acquisition and disposal costs and exceptional items.  
<sup>3</sup> Before acquisition and disposal costs and exceptional items.

## Group Structure

The Group operates globally through a large number of subsidiaries, of which the principal subsidiaries (those which contributed more than 5% of Group EBITDA during the year ended 31 March 2013) are set out in the abbreviated organisation chart that follows<sup>4</sup>.



IGHP was incorporated on 10 September 2008 as a wholly owned subsidiary of ICAP. IGHP indirectly owns the majority of the Group's trading subsidiaries in the United Kingdom and North America, together with certain Electronic Markets and Post Trade Risk and Information businesses, and these account for the majority of the Group's EBITDA as at 31 March 2013.

At 31 March 2013, the Group employed more than 4,900 staff worldwide; with more than 2,100 brokers. The Group has a strong presence in each of the three major financial markets; London, New York and Tokyo. At 31 March 2013, in Global Broking, in excess of 1,500 members of staff were employed in EMEA, over 1,500 in Americas and over 800 in Asia Pacific. At 31 March 2013, over 500 members of staff were employed in each of Electronic Markets and Post Trade Risk and Information.

## Capital Structure

The Group seeks to ensure that it has constant access, even in periods of corporate or market turmoil, to an appropriate level of cash, other forms of marketable securities and committed funding lines to enable it to finance its ongoing operations, proposed acquisitions and other contingencies on cost-effective terms.

To provide protection against unexpected events the Group maintains minimum core liquidity, in the form of cash and undrawn debt facilities, of \$250m.

At 30 September 2013, the Group was financed through a combination of \$193 million guaranteed subordinated loan notes issued to US private placement investors and due 2015, a £425 million revolving

<sup>4</sup> A single £1 ordinary share of IGHP is owned by Intercapital Limited, with the remaining 233,478,000 shares owned by ICAP plc. The organisational chart is not complete and displays only the principal subsidiaries of the Issuers shaded in grey and their ultimate holding companies. Dotted lines indicate indirect subsidiary relationships.

credit facility incorporating a \$200 million swingline element that matures on 1 December 2016, a €300 million Fixed Rate Note issued under the Programme in 2009 and due in 2014, a £125 million retail bond issued under the Programme in 2012 and due in 2018, a €15 million Fixed Rate Note issued under the Programme and due in 2023, a £50 million term loan facility that matures on 24 September 2014 along with a number of small operational lines which are short-term in nature, uncommitted and used by the Group's trading subsidiaries for local settlement and working capital purposes.

ICAP also has in place a £500m Euro Commercial Paper programme to provide access to short-term liquidity as an alternative mechanism to finance the Group's working capital and margin requirements. At 25 September 2013, the Group had £nil in issue under this programme.

Intercapital Limited remains as the issuer of the Group's \$193 million guaranteed subordinated loan notes due 2015. Intercapital's obligations in respect of the loan notes are guaranteed on a subordinated basis by ICAP.

Both ICAP and IGHP are rated by Fitch Ratings Limited and Moody's Investor Services Inc. At 25 September 2013, the long-term ratings for Notes issued under the Programme were BBB (stable) / Baa2 (negative outlook) respectively. Each of Fitch Ratings Limited and Moody's Investor Services Inc. is established in the EEA and registered under Regulation (EU) No. 1060 2009, as amended.

## **Group Strategy**

The Group's goal is to be the leading provider of trade execution services and market infrastructure to the global wholesale financial sector.

The Group recognises that wholesale financial markets are changing and regulatory developments are redefining certain aspects of its business. During this period of fundamental change for the financial services industry, the Group will continue to be responsive to the evolving needs of its customers and will align its interests accordingly.

In the markets in which the Group operates, it aims to be at the forefront of product and technological innovation. The Group remains focused on driving the future growth of the business through the development of new products and services and the expansion into new markets. The Group continues to invest in all aspects of its business including the ongoing development of electronic trading platforms and post trade services.

The Group aspires to be recognised as an organisation with a strong, positive and responsible culture that plays an important role in the community.

The Group's aim continues to be to deliver sustainable long-term growth and shareholder value.

In pursuit of the corporate goals the following key strategic priorities have been identified:

### *Leverage the comparative advantage of the global businesses*

Progress has been made by:

- i-Swap (as further described below under 'Electronic Markets – i-Swap') utilising the combination of the Group's interest rate voice market flow and liquidity with market leading technology;
- in collaboration between the Group's Global Broking and Electronic Markets divisions, the development of a combined Asian non-deliverable forward offering; and
- the consolidation of product groups within the Global Broking division.

*Ensure the businesses are ready for regulatory change*

Progress has been made by:

- the launch of i-Swap in the US ahead of the final Swap Execution Facility (**SEF**) rules/Dodd-Frank Act;
- the introduction of trade-backed volume-weighted indices in response to demand from the market for more transparent auditable benchmarks; and
- the expansion of the Group's global financial futures and options team.

*Continue investment in products and technological innovation*

Progress has been made by:

- the development of new products and services including EBS Direct, TriOptima's triBalance and Traiana's CreditLink (as further described below);
- the expansion of the Group's Post Trade Risk and Information services into new asset classes, for example the addition of exchange traded derivatives, fixed income, cleared swaps, cash equities and equity swaps on to Traiana's Harmony network; and
- maintaining investment in technology at 13% of total revenue.

*Improve the efficiency and cost effectiveness of the organisation*

Progress has been made by:

- the amalgamation of the three regionally-managed voice broking businesses into one Global Broking division;
- the integration of Reset and ReMatch operations (as further described below under 'Post Trade Risk and Information – Reset and Rematch');
- the delivery of £60 million of cost savings in the year ended 31 March 2013, annualised at £80 million; and
- a more flexible cost base through renegotiation of broker compensation and consolidation and rationalisation of infrastructure services.

*Reinforce cultural values and best business practices*

Progress has been made by:

- an ongoing commitment to employee development and the graduate recruitment programme;
- the extension and enhancement of mandatory compliance training programmes for all the Group's employees; and
- the cumulative total amount donated in 20 years of the ICAP Charity Day is £100 million.

## **Divisions**

The Group's operations can be segmented on a divisional basis: Global Broking, Electronic Markets and Post Trade Risk and Information. Different products may be covered by one or more divisions, although as a general rule the more liquid and widely-traded the product the more suitable it is for being traded on an electronic platform.

### ***Global Broking***

In September 2012, a new Global Broking division was formed amalgamating the three regionally-managed voice broking businesses in EMEA, the Americas and Asia Pacific under the leadership of David Casterton. This reorganisation mirrors the way the Electronic Markets and Post Trade Risk and Information divisions are managed and enhances the division's ability to serve its global customer base.

The Global Broking business is active in wholesale markets across all asset classes. Built on customer relationships, the Group's brokers help identify potential trading interest and in so doing create liquidity and facilitate price discovery in a wide range of financial instruments.

The Group's strategy is to invest in growth markets and seize opportunities as they arise, to expand market share in products where it is not the leader, to maintain its market share where it is the leader and to extend its technological capabilities across its product set.

For the year ended 31 March 2013, revenue decreased by 15%. Revenue was impacted by a combination of macroeconomic, country and product-specific factors, including the ongoing Eurozone crisis, uncertainty created by the US fiscal cliff negotiations, historically low interest rates, regulatory uncertainty around the Dodd-Frank Act and the effect of the Basel III capital adequacy requirements.

During the year ended 31 March 2013, operating profit before acquisition and disposal costs and exceptional items reduced by 31% to £105 million and the operating profit margin before acquisition and disposal costs and exceptional items decreased to 11%. This reduction in margin of two percentage points on the previous year reflects an improvement in the second half of the year as the financial results of the division benefited from the implementation of the cost saving programme and the improvement in performance in Brazil. Given the challenging market conditions, the Group continues to adjust the Global Broking cost base and increase its ongoing flexibility. Broker headcount has declined from 2,347 to 2,195. In addition, individual broker compensation has been restructured across all regions to enhance the variable nature of broker costs. During the year ended 31 March 2013, Rates and FX and money markets represented 47% of total Global Broking revenue.

#### ***Global Broking – Rates***

The rates business comprises interest rate derivatives, government bonds, repos and financial futures.

During the year ended 31 March 2013, rates products contributed the largest share of Global Broking's revenue. These products experienced reduced activity levels throughout the year reflecting the historically low interest rate environment and flat yield curves which particularly impacted interest rate derivatives and futures. The Eurozone crisis and the uncertainty around the SEF rules and the impact of Basel III future capital requirements on the Group's customers have been a further drag on market confidence and risk appetite.

There was a modest improvement in the US government bonds secondary market in the second half of the year ended 31 March 2013 following the Federal Reserve's announcement to extend the third round of quantitative easing in September 2012. This was further cemented by the Federal Open Market Committee's announcement in December that low rates would continue into the foreseeable future.

Given the ongoing uncertainty in the Eurozone region, the European government bond markets have been extremely risk averse. Trading activity was boosted by short-term periods of volatility driven by the European Sovereign debt crisis and central bank actions.

Despite lower volumes during the year ended 31 March 2013 compared to the previous financial year, the expanded global financial futures and options team gradually increased its market share over the year.

The interest rate swap teams in London and New York have worked in collaboration with the electronic businesses to develop i-Swap, an electronic platform for OTC interest rate derivatives, which leverages interest rate swap voice market flow and liquidity from the largest dealers with market-leading trading technology. The Group plans to extend this type of cross-divisional collaboration to other products.

#### *Global Broking – FX and money markets*

The FX and money markets business comprises spot and forwards, cash products and a joint venture in FX options.

Market conditions were difficult throughout the year ended 31 March 2013 as FX volumes in spot, forwards and options all declined, largely due to reduced exchange rate volatility but primarily as a result of central bank intervention. In addition, the low interest rate environment resulted in less carry trade activity further depressing volumes. Although forwards continued to be a popular tool for managing balance sheet requirements, trading activity, particularly in EMEA, declined from the exceptionally high levels recorded in the previous year to more normal levels. Trading activity in money markets was subdued as interest rates remained at historical lows.

#### *Global Broking – Commodities*

The commodities business comprises energy (including power and electricity, oils, natural gas, coal and alternative fuels), shipping, metals, intellectual property and other products (including cotton, wool and sugar).

In October 2012 a significant proportion of the Group's US electricity and natural gas customers migrated from swaps to futures as the Intercontinental Exchange converted its energy swap contracts into regulated futures contracts. The Group's energy swaps and futures brokers are fully registered and licensed to broker energy products as futures or swaps and can execute futures and listed options on a variety of exchanges. The Group has been a leading brokerage house for block-sized futures in crude, refined products, softs and agricultural futures for many years and has deep pools of liquidity to execute block futures in these products.

During the year ended 31 March 2013, continued market volatility helped drive revenue in oils and alternative fuels. Market conditions remained challenging for shipping with little prospect for improved freight rates and sale and purchase continued to be impacted by a lack of trade finance. This resulted in an impairment to the value of goodwill in the dry chartering business to nil in the year ended 31 March 2013.

During the year ended 31 March 2013, a number of new initiatives were launched to develop the commodities business including the expansion of the soft commodities group to include a full-service cotton broking team and the extension of TrueQuote, the Group's voice-electronic broking service for OTC crude, fuel oil and middle distillate swaps, to wet freight derivatives. The Group expanded its metals business to provide middle office services to clients and plans to grow this service to cover other exchanges. The acquisition of CTI Shipbrokers (India) Pvt in September 2012 strengthened the Group's position in India with offices in New Delhi and Mumbai employing 28 people.

### *Global Broking – Emerging markets*

The Group is active in emerging markets across Asia Pacific, Latin America, Central and Eastern Europe and Africa. Emerging market revenue includes domestic activity in local markets and cross border activity in globally traded emerging market money and interest rates products.

During the year ended 31 March 2013, while the revenue from emerging markets was down compared to the previous financial year, a number of local markets remained robust. The performance of the Group's operations in Brazil improved during the year ended 31 March 2013. This was achieved after a modest improvement in revenue, a restructuring of its cost base and changes to the senior management team. In the Asia Pacific region, trading activity was particularly robust in India, the Philippines and Thailand during the year ended 31 March 2013. Other emerging market initiatives included the application to the Securities and Exchange Board of India for a licence to set up a corporate bond and fixed income exchange during the year ended 31 March 2013. Deliverable renminbi traded offshore in Hong Kong (CNH) products continue to be an area of focus and growth in the region during this year and, in China, the Group's joint venture with Shanghai CFETS-ICAP International Money Broking Co. Limited continued to perform well. Growth in EMEA during the year ended 31 March 2013 was held back by capital adequacy issues particularly in Russia and Turkey.

### *Global Broking – Credit*

The credit business comprises corporate bonds and credit derivatives.

During the year ended 31 March 2013, credit markets were extremely challenging. A lack of risk appetite and secondary market activity, as well as increased competitive pressure, had a significant negative impact on revenue, particularly in credit derivatives.

Corporate bonds, which represented more than 75% of Global Broking's credit revenue during the year ended 31 March 2013, saw a short-term improvement in activity in January 2013 with the start of the bank customers' new financial year, reflecting new debt issuance and an increase in risk appetite. Market conditions, however, remained fragile and the increase in activity experienced in January 2013 was not maintained afterwards. In response to market conditions, the Group reduced broker headcount within its credit businesses and continues to review its cost base to identify further efficiency gains.

### *Global Broking – Equities*

The equities business principally comprises equity derivatives.

Equity derivatives continued to experience very difficult market conditions during the year ended 31 March 2013, in part arising from the significant number of active broking firms operating in the market, leading to reduced customer trading and further margin compression. This resulted in an impairment in the value of intangible assets relating to the Link business<sup>5</sup> by £72 million to £6 million during the year ended 31 March 2013.

In response to these difficult market conditions, the Group restructured its equities business. In the US, the Link and the Group's corporate equity businesses have been combined under one management team resulting in a single equity offering for customers. In Tokyo, half the equity derivatives group was relocated to Hong Kong and combined with the Hong Kong team, mirroring the move by its international customer base.

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<sup>5</sup> The businesses of The Link Asset and Securities Company Limited, Link Securities Hong Kong Limited and Link Brokers Derivatives Corporation.



## ***Electronic Markets***

The Group operates EBS Market platform and BrokerTec, electronic trading platforms in spot FX and government fixed income. The platforms offer efficient and effective exchange-like trading solutions to more than 2,800 customers in over 50 countries across a range of instruments including spot FX, US Treasuries, European government bonds and EU and US repo. The platforms are built on the Group's bespoke networks which connect participants in wholesale financial markets.

The Group's strategy is to grow its global electronic business through increasing volumes of existing products, by developing new products and expanding into new markets.

For the year ended 31 March 2013 revenue decreased by 11% compared to the previous financial year. Combined average daily electronic volumes for the EBS Market for spot FX and the BrokerTec fixed income platform for the year ended 31 March 2013 were \$702 billion, a decrease of 12% on the previous financial year. Operating profit (before acquisition and disposal costs and exceptional items) reduced by 11% to £113 million during the year ended 31 March 2013 compared to the previous financial year. The operating profit margin (before acquisition and disposal costs and exceptional items) of the electronic businesses was maintained at 42% reflecting the benefit of cost savings delivered during the year ended 31 March 2013.

### ***Electronic Markets – EBS***

EBS Market platform provides efficient and fair access to global markets for spot FX, precious metals and non-deliverable forward traders around the world. For the year ended 31 March 2013 revenue decreased by 11%, compared to the previous financial year, reflecting a decline in transaction revenue which represented approximately 65% of total EBS revenue.

Average daily FX electronic broking volume on the EBS Market platform was \$116 billion during the year ended 31 March 2013, a 24% decrease on the prior financial year. Despite the reduction in volume, EBS Market platform has maintained its market position in some of the world's most actively traded currency pairs, including euro/US dollar and US dollar/Japanese yen.

Volume on the EBS Market platform was subdued for most of the year ended 31 March 2013 due to lower trading activity across all major currency pairs reflecting the low interest rate environment, reduced exchange rate volatility, in part caused by central bank intervention, and the scaling back of proprietary trading. A change in Japanese monetary policy in early 2013 provided a short-term boost to Japanese yen volumes in January and February 2013.

Activity in non-deliverable forwards continued to grow during the year ended 31 March 2013, both in average daily volume, which increased by 645% over the prior financial year, and in the average number of daily trading counterparties, which increased by 70% over the prior financial year. In partnership with the Group's Global Broking division, a combined Asian non-deliverable forward offering is being developed that will leverage both the brokers' customer relationships and EBS's unique electronic network and capabilities. In February 2013, EBS executed the first trade in US dollar/Indian rupee for onshore bank customers in India. The rupee is already one of the top 20 most traded currencies globally and this position is set to rise when it becomes fully convertible.

In March 2012, Gil Mandelzis was appointed Chief Executive Officer of EBS and subsequently restructured the business including the senior management team. During the course of the year ended 31 March 2013, and following consultation with the EBS customer base, new dealing rules and platform changes were implemented to improve customers' trading experience and ensure that EBS remains the source of genuine, executable spot FX liquidity. These enhancements included a move away from

decimalisation to half pips and full pips in core currency pairs and revised quote and hit fill ratio targets. These changes have been positively received by EBS's customers.

In November 2012, the Group announced the upcoming launch of EBS Direct, a new relationship-based disclosed liquidity service which will widen the current customer base. EBS Direct has gone live with its Beta programme under which four liquidity providers have conducted initial trades on the platform. EBS direct delivers increased trading opportunities by enabling the streaming of tailored prices direct to liquidity consumers. EBS Direct has already signed up more than 200 customers in 44 countries with commitment from over 20 liquidity providers and expects to go live in the second half of the year ended 31 March 2014.

In December 2012, EBS acquired Global Research and Consulting Limited, known as ClientKnowledge, the leading advisory liquidity optimisation firm specialising in FX. ClientKnowledge has been integrated into EBS's operations under the name EBS Liquidity Optimization. This has added a wide range of unique quantitative and analysis services, alongside existing products, to support efficiency, best execution and improved profitability for EBS's customers. Working closely with EBS Direct, this will help extend EBS's customer base as an aggregator of FX liquidity and embed EBS more deeply within its customers' value chain.

#### *Electronic Markets – BrokerTec*

BrokerTec is an electronic trading platform for the fixed income markets, providing innovative technology solutions across a wide range of products to more than 500 customers round the world. BrokerTec delivers efficient, transparent, anonymous and orderly electronic fixed income trading opportunities for all market participants.

For the year ended 31 March 2013 revenue decreased by 7% compared to the prior financial year, partly as a consequence of a change in the product and customer mix. Total average daily volume in US Treasury products, EU repo and US repo was \$587 billion during the year ended 31 March 2013, a decrease of 9% compared to the prior financial year. Following BrokerTec's migration to a new trading platform in March 2012, it benefited from an increase in market share in on-the-run US Treasuries, the key product it trades.

Lower volume on the BrokerTec platform during the year ended 31 March 2013 compared to the prior financial year was driven by historically low yields, resulting in tighter trading ranges, as well as unease over the state of the global economy. A number of factors from the US and Europe contributed to this, including quantitative easing, reduced investor confidence due to the ongoing Eurozone crisis, fiscal cliff concerns, the debt ceiling and, more recently, the US budget sequestration. A modest improvement in the US economy and an active new issuance programme in Eurozone markets improved volumes towards the year end.

Repo volumes improved in the last quarter of the year ended 31 March 2013 as some banks returned cash to the European Central Bank under the long-term refinancing operation and securities returned to secondary markets. Pressure on credit lines between banks, particularly in Spain and Italy, continued to drive business electronically via central counterparties as there was an increased need to trade bilaterally and therefore to use the clearing facilities of a central counterparty as offered over BrokerTec. The increase in repo volumes in the last quarter of the year ended 31 March 2013 resulted in a less pronounced improvement in revenue due to the relatively inelastic pricing structure.

In November 2012, in line with its ongoing investment in technology, BrokerTec launched a new, high speed market data protocol called ITCH for the US Treasury market. ITCH allows customers to track the status of an order from the time it is first entered until its execution or cancellation.

### *Electronic Markets – i-Swap*

i-Swap, the Group's global electronic trading platform for interest rate swaps, has continued to build on its market position and has brought increased transparency and greater efficiency, as well as lower transaction costs, to the interest rate swap market.

From July 2012, volumes on i-Swap in Europe improved as volatility subsided and spreads narrowed following comments by the President of the European Central Bank that it was ready to intervene in the sovereign debt markets. While growth in this nascent electronic market remains delicate, momentum is building and electronic volumes in the final quarter of 2012 have trended higher. On individual days the number of trades exceeded the highs that were reached prior to the Eurozone crisis of June 2011, representing 35% of the Group's overall 1–30 year euro swap transactions.

In December 2012, the Group announced that Citigroup had taken an equity stake in iSwap Limited by diluting the other shareholding banks. Citigroup will support the platform with streaming prices, alongside the other shareholding banks, Bank of America Merrill Lynch, Barclays, Deutsche Bank and JPMorgan.

On 15 February 2013, i-Swap launched in the US with 14 banks submitting credit limits and permissioned to trade electronically. Since its launch, the platform has operated efficiently and customers have taken the opportunity to familiarise themselves with the new style of trading in readiness for full implementation following the upcoming regulatory reforms. The publication of the final SEF rulebook will define the parameters under which SEFs will operate and act as an additional catalyst for the utilisation of i-Swap going forward.

The next stage in the development of i-Swap will be the extension of the platform to cover other currencies, including the British pound and the Australian dollar.

### *Electronic Markets – MyTreasury*

MyTreasury, the Group's electronic money market trading platform for corporate treasury investors, is a third-party electronic trading platform in offshore money market funds (**MMF**) and is steadily building its presence in the onshore US market with both its MMF and time deposit trading activities. MyTreasury has experienced steady growth in the value of assets being serviced through the platform. Since April 2013, MyTreasury operations have been extended into the US and term deposits and certificates of deposit have been added to the range of instruments that can be traded via the platform.

### *Electronic Markets – ISDX*

In June 2012, the Group acquired Plus Stock Exchange plc, which was relaunched as ICAP Securities and Derivatives Exchange Limited (**ISDX**) in October 2012. ISDX comprises three markets, the ISDX Growth Market, the ISDX Main Board and the ISDX Secondary Market. The core offering for ISDX is its Growth Market, which is dedicated to helping entrepreneurial companies access equity capital to finance the development of their businesses, while providing investors with exciting and potentially rewarding investment opportunities. There are 130 companies listed on ISDX. The ISDX Secondary Market was relaunched on 31 October 2012 with four market makers offering an alternative venue for trading approximately 300 AIM and other London Stock Exchange listed stocks. The changes made at ISDX have been well received by market participants. The acquisition of ISDX, a Recognised Investment Exchange and Recognised Stock Exchange, provides the Group with additional flexibility in a changing regulatory environment as in the future it could be used to launch new derivatives contracts leveraging the Group's existing electronic and derivatives expertise.

## ***Post Trade Risk and Information***

The Post Trade Risk and Information business comprises the portfolio risk services businesses, Reset, ReMatch and TriOptima, the transaction processing business, Traiana, and the information business which together provide services to more than 3,000 customers. During the year ended 31 March 2013, demand for improvements in the efficiency of post trade processing and for reductions in the capital allocated to existing positions continued to provide opportunities for the Group's Post Trade Risk and Information business which now represent a core and embedded part of its customers' processes and infrastructure.

The Group's aim is to continue to develop its Post Trade Risk and Information business by providing innovative services that enable its customers to reduce costs and risk, as well as to increase efficiency, return on capital and capacity to process trades.

For the year ended 31 March 2013 revenue of £207 million was in line with the prior financial year. Operating profit (before acquisition and disposal costs and exceptional items) decreased by 2% and the operating profit margin (before acquisition and disposal costs and exceptional items) was flat at 44% during the year ended 31 March 2013.

### ***Post Trade Risk and Information – Reset and ReMatch***

Reset is a provider of risk mitigation services, reducing the basis risk within portfolios from fixings in the interest rate, FX and inflation markets. This risk results from the structure of the instruments traded and a mismatch of exposure over time. It also addresses structural imbalances within trading portfolios. ReMatch, the operations of which are now fully integrated into the Reset business, rebalances the illiquid basis and market risk inherent in credit derivative portfolios.

For the year ended 31 March 2013 revenue decreased by 10% compared to the prior financial year. Revenue growth was held back by the low interest rate environment in all major currencies, Libor volatility at all-time lows and flat yield curves. Against these difficult market conditions Reset and ReMatch continue to grow their customer bases. Reset is now used by more than 375 banks and over 3,000 individual users. Any anticipated change to the interest rate outlook should increase basis risk in Reset and ReMatch's customers' portfolios and therefore increase demand for their services.

Both Reset and ReMatch launched innovative new products during the year ended 31 March 2013. These included a new cross-currency basis service from Reset and a new product to help traders manage risk in the index market from ReMatch. ReMatch continues to cement its position in the CDS market for both western European and emerging market sovereigns and has recently launched its service in Asia.

### ***Post Trade Risk and Information – TriOptima***

TriOptima, through triReduce and triResolve, provides risk termination and risk mitigation solutions for OTC derivatives, primarily through the reconciliation and elimination of outstanding transactions.

Aligned with the G20 policy objective of reducing systemic risk, triReduce enables market participants to decrease counterparty credit risk, the number of outstanding contracts and the gross notional value, through early termination of existing contracts for rates, credit and commodity swaps. Since its launch in 2003, it has terminated more than \$338 trillion in total notional volume.

The portfolio reconciliation service, triResolve, operates a community network facilitating efficient collateral management and dispute resolution and reduction in operational risk in line with regulatory requirements.

For the year ended 31 March 2013 revenue increased by 2% and by 8% on an underlying basis (at constant exchange rates) compared to the previous financial year. Revenue growth was mostly driven by an increase in the use of triResolve, a subscription based service, which has benefited from the proactive implementation of best practice in risk management and portfolio reconciliation ahead of changes in regulation. triResolve has more than 250 firms in its network, regularly reconciling more than seven million OTC derivative trades. In addition to terminating \$70 trillion of gross notional outstanding in the year ended 31 March 2013 (2012: \$72 trillion), TriOptima completed its first portfolio compression cycle for precious metal swaps and its first portfolio compression cycle at the Singapore Exchange.

TriOptima continues to innovate and provide its customers with new solutions. triBalance, which is expected to be launched in October 2013, is a new service designed to reduce systemic risk and improve counterparty risk management. Since not all trades by banks are eligible for clearing, triBalance will provide a solution for firms to manage bilateral risk for their uncleared portfolios. TriOptima is also working with customers to pilot a new counterparty credit risk analytics service for OTC derivatives called triQuantify.

#### *Post Trade Risk and Information – Traiana*

Traiana provides financial institutions with services to automate post trade processing of transactions in listed and OTC markets. Traiana is focused on growing its FX business and exploiting the strengths of its Harmony network by adding new asset classes, including exchange traded derivatives, fixed income, interest rate swaps, cash equities and equity swaps. Traiana's Harmony network connects more than 550 global banks, broker/dealers, buy-side firms and trading platforms.

For the year ended 31 March 2013 revenue increased by 19% compared to the prior financial year. Revenue growth was driven by an increase in the number of transactions processed by Harmony. The average number of transactions processed per day for the year ended 31 March 2013 was 1.4 million (2012: 1.1 million), an increase of 37% on the previous financial year. In addition, Traiana's trade aggregation joint venture with CLS Group, CLS Aggregation Services LLC, processed on average more than 360,000 transactions per day in the year ended 31 March 2013, having increased by more than 45% over the previous 12 months.

The expansion of Traiana's platform to new asset classes and segments continues to provide it with growth opportunities. Harmony is now connected to nine of the top ten futures brokers, positioning Traiana to expand services to buy-side firms and reinforce its value proposition to sell-side firms. Working with leading buy-side firms, Traiana has implemented a FIX/SWIFT compliant solution to reduce costs and create more efficient straight through processing in cash equities and fixed income markets. In September 2012, Traiana expanded its Harmony CreditLink initiative with the addition of real-time limit monitoring and the ability to terminate trading activity through a 'kill switch' capability for exchange traded derivatives.

On 14 January 2013, the Group announced that it had sold a 12% stake in Traiana to seven of its leading customers giving the business an implied valuation of \$300 million. Collectively, the investors also have an opportunity, under certain conditions, to acquire an additional 20% equity in Traiana at a cost of up to \$82.5 million. More recently, Goldman Sachs has joined the bank customer/shareholder consortium and bought a 1.67% stake in Traiana on the same terms. While the Group retains control of Traiana (86.6%), the sale will solidify the relationship between Traiana and its customers, align their interests and help accelerate product adoption.

#### *Post Trade Risk and Information – Information*

ICAP Information Services (**IIS**) is a provider of OTC market information, delivering independent data solutions to financial market participants. It employs a subscription-based charging structure providing a regular revenue stream.

For the year ended 31 March 2013 revenue decreased by 3% compared to the prior financial year. This decline was primarily due to the loss of a proportion of data sales following a change to EBS's product offering. Market data generated via the EBS platform and sold by the IIS business amounted to 40% of IIS's revenue for the year ended 31 March 2013 (2012: 43%). Excluding the EBS related sales, IIS's revenue grew by 3% for the year ended 31 March 2013 compared to the prior financial year.

During the year ended 31 March 2013, IIS's product offering has grown to incorporate new and innovative data solutions as the market continues to demand greater transparency and accuracy. IIS launched a credit rating service with Rapid Ratings, an alternative rating, research and analytics firm. This product delivers a unique view of the credit derivatives market. In addition to this new pricing service, IIS added hazard rates and survival probabilities enabling customers to manage issuer credit risk more efficiently.

IIS has worked to develop a series of trade-backed, volume-weighted indices and launched RepoFunds Rate as well as the Tankard Index during the year ended 31 March 2013. RepoFunds Rate, launched with BrokerTec and MTS (MTS Group is majority owned by the London Stock Exchange Group plc), is the first index to reflect the effective cost of secured funding in key Eurozone countries. Tankard, a series of indices for UK and European natural gas hubs, is calculated from trades arranged by the Group, Marex Spectron and Tullett Prebon. The trades are physically-settled natural gas forwards, transacted between utilities, natural gas producers, hedge funds, banks and trading houses.

#### *Post Trade Risk and Information – Other investments*

The Group's Post Trade Risk and Information business invests in new companies developing innovative technology-led offerings via Euclid Opportunities. Euclid Opportunities is majority owned by the Group and has assessed more than 300 early stage firms since its launch in March 2011. Its portfolio includes minority stakes in Model Two Zero Limited, trading as Duco, an early-stage software firm pioneering the next generation of innovative matching, reconciliation and data-translation technologies (invested in December 2011 and November 2012), OpenGamma, a real-time risk analytics provider (invested in August 2012) and Global Valuation, a next generation provider of portfolio valuation and simulation software (source code agreement January 2013).

### **The Board and Management**

ICAP is led by an experienced board of directors consisting of a non-executive Chairman, the Group Chief Executive Officer, two further executive directors and four independent non-executive directors. The board is responsible for providing leadership of the Group and for ensuring the Group has the appropriate people, financial resources and controls in place to deliver on the long-term objectives, commercial strategy and risk management strategy set by the board. Risk management is a fundamental part of the Group's business approach. The Group is committed to maintaining a strong control environment, both geographically and across product lines.

The board considers that it has complied with the principles and provisions of the UK Corporate Governance Code throughout the year ended 31 March 2013.

<b>Name</b>	<b>Position</b>
<b>The Board of Directors – ICAP</b>	
Charles Gregson	Non-executive Chairman and Chairman of the Governance and Nomination Committees
Michael Spencer	Group Chief Executive Officer
John Nixon	Group Executive Director Americas
Iain Torrens	Group Finance Director
John Sievwright	Senior independent and Chairman of the Audit and Risk Committees
Robert Standing	Independent non-executive director and Chairman of the Remuneration Committee
Diane Schueneman	Independent non-executive director
Ivan Ritossa	Independent non-executive director
<b>Global Executive Management Group</b>	
Michael Spencer	Group Chief Executive Officer
John Nixon	Group Executive Director Americas
Iain Torrens	Group Finance Director
Mark Beeston	Chief Executive Officer, Portfolio Risk Services
David Casterton	Chief Executive Officer, Global Broking
Gil Mandelzis	Chief Executive Officer, EBS, and Executive Chairman, Traiana
Hugh Gallagher	Chief Executive Officer, Asia Pacific
Duncan Wales	Group General Counsel
Seth Johnson	Co-head, BrokerTec and Chief Executive Officer, ISDX

*The Board of Directors – ICAP*

**Charles Gregson** is non-executive Chairman and Chairman of the Governance and Nomination Committees. He was appointed in 2001 having been executive Chairman since 1998. Between 1978 and 1998 he was responsible for the Garban businesses that demerged from United Business Media plc in 1998 and then merged with Intercapital in 1999 to form ICAP. He was previously chief executive of PR Newswire Association Inc and served on the boards of United Business Media plc, Provident Financial

plc, MAI plc and International Personal Finance plc. Charles holds a degree in History and Law from Cambridge University and qualified as a solicitor. Charles is the non-executive chairman of CPP Group Plc and St James's Place plc. He is a non-executive director of Caledonia Investments plc.

**Michael Spencer** is Group Chief Executive Officer. He was the founder of Intercapital in 1986 and became Chairman and Chief Executive of Intercapital in October 1998, following the Exco / Intercapital merger. Michael, together with IPGL Limited and its subsidiary companies, is a substantial shareholder in ICAP. He is the chairman of IPGL Limited and is on the board of many of IPGL Limited's investments. As at 25 September 2013, he is deemed, with IPGL Limited and its subsidiary INCAP Finance BV, to have an interest of 16.81% in ICAP. IPGL Limited's other interests include City Index Limited and investments in a variety of other financial services companies. Michael is chairman of the GEMG. He holds a degree in Physics from Oxford University. He is the senior independent director of Tungsten Corporation plc and a director of Bordeaux Index Ltd. Michael is the chairman of The Conservative Party Foundation Ltd.

**John Nixon** is Group Executive Director Americas. He represents the Group's Americas businesses to the board. He has joint management oversight and responsibility for the Group's fixed income Electronic Broking business and is chairman of the i-Swap business. Prior to his appointment to the board in 2008, John had served from 1998 to 2002 as a non-executive director. He has been a member of the GEMG since 2003 when he had responsibility for strategic acquisitions. John was previously the Chief Executive Officer of Tullett and Tokyo Forex, now part of Tullett Prebon, where he worked from 1978 to 1997 in Toronto, London and New York. John holds a degree in Commerce from Queen's University, Ontario.

**Iain Torrens** is Group Finance Director. He joined the Group in 2006 as Group Treasurer and became Group Financial Controller in 2008. Before joining the Group, he worked in a number of senior financial roles for CP Ships Limited and Cookson Group plc. Iain is responsible for the Group's finance, company secretarial, investor relations, compliance, business services and human resources functions. He is a member of the GEMG and the Global Operating Committee and is chairman of the Group Risk and Capital Committee. Iain holds a degree in Banking and Finance from the University of Wales and a postgraduate diploma from the University of Ulster. He is a Chartered Accountant and a Chartered Secretary. Iain is a director of Totan Holdings Co Ltd.

**John Sievwright** is Senior independent director and chairman of the Audit and Risk Committees. He was Chief Operating Officer, International, for Bank of America Merrill Lynch (formerly Merrill Lynch), based in New York, Tokyo and London. He has also held a number of other senior positions at Merrill Lynch, including Chief Operating Officer, Global Markets and Investment Banking, Head of Global Futures and Options and Chief Administrative Officer for the Debt Markets and Global Equity Derivatives divisions. John holds an MA degree in Accounting and Economics from the University of Aberdeen and is a member of the Institute of Chartered Accountants in Scotland. John is the senior independent director of FirstGroup plc and chairman of its audit committee.

**Robert Standing** is an independent non-executive director and Chairman of the Remuneration Committee. He is a principal of LDF Advisers LLP which was founded within the JPMorgan group in 1995 and spun out in 2002. Robert joined Chemical Bank in 1982, spending two years developing new products before joining the Capital Markets division in 1985. Following acquisitions by JPMorgan, he worked in a range of roles before becoming Head of Fixed Income and Foreign Exchange for EMEA in 1998. Robert is one of the founders of the Hedge Fund Standards Board. He holds a degree in Engineering from Cambridge University. Robert is a director of London Diversified Fund Management (UK) Ltd.

**Diane Schueneman** is an independent non-executive director. She was previously an independent consultant to the US Internal Revenue Service Commissioner for McKinsey & Company. She built an extensive career at Bank of America Merrill Lynch (formerly Merrill Lynch) and until 2008 was Senior Vice President, Head of Global Infrastructure Solutions and a member of the Executive Operating Committee. During her career she has covered fixed income sales, business management, operations, client



services and technology. Diane previously served on two not-for-profit boards, Year Up and National Cooperative Cancer Network Foundation and was on the advisory board of United Bank of Africa – New York Branch. Diane is an independent director of Penson Worldwide Inc.

**Ivan Ritossa** is an independent non-executive director. He was formerly on the Executive Committee of Barclays Investment Bank and was most recently Head of Latin America, Central and Eastern Europe, the Middle East and Africa for Barclays across all products for the Investment Bank. Previous roles at Barclays include Head of Foreign Exchange and serving as an executive director of Barclays Saudi Arabia Board. He was a non-executive director of ABSA Group and served on a number of its committees.

#### *The Board of Directors – IGHP*

The Board of Directors of IGHP consists of four directors, Iain Torrens (Group Finance Director), David Ireland (CFO Group Finance), Deborah Abrehart (Group Company Secretary) and Stephen Caplen (Deputy Group Chief Financial Officer).

**David Ireland** is CFO Group Finance. He is responsible for Group Treasury, Tax and Financial Reporting. He joined the Group in 2011 from Barclays where he had been Head of Tax for UK & EMEA for Barclays Capital. Prior to Barclays, David worked for Deloitte providing tax advice to the banking and capital markets industry. He is a member of the Group Risk and Capital Committee. He holds a degree in Mathematics from Cambridge University and is a Chartered Accountant.

**Deborah Abrehart** is Group Company Secretary. She joined the Group in January 2006. Deborah is responsible for the Group's secretarial, corporate governance and insurance functions. Deborah was previously Group Company Secretary of easyJet plc where she was responsible for the flotation and establishment of the company's secretarial function. Deborah is a Chartered Secretary.

**Stephen Caplen** is Deputy Group CFO. Stephen qualified as a chartered accountant with BDO Stoy Hayward and performed various roles within the firm's audit and corporate finance departments. He joined the London Stock Exchange in 1997 initially as a regulatory advisor within its Equity Markets Group before assuming the role of Deputy Head of Finance. After seven years at the LSE, Stephen was appointed Group CFO of EBS, a position he held when the Group acquired the business in 2006. Stephen has performed various roles within the Group including CFO of the Group's electronic and post trade businesses. Since October 2013, Stephen has been responsible for the Group's infrastructure IT and global business services functions.

#### **Global Executive Management Group**

On a day to day basis the Group is managed globally by the Global Executive Management Group (**GEMG**) in accordance with delegated authorities approved by the board of ICAP. The GEMG consists of the three executive directors and six other senior managers.

**Mark Beeston** is Chief Executive Officer, Portfolio Risk Services. He is responsible for the Post Trade Risk and Information business and, since October 2012, he has had responsibility for co-ordinating the Group's response to regulatory reforms. Prior to joining the Group in December 2009, he spent four years as President of T-Zero (now ICE Link). Before this he spent 13 years at Deutsche Bank where, among other roles, he served as Chief Operating Officer for Global Credit Trading, Chief Operating Officer for OTC Derivatives and global head of Money Market Derivatives trading. Mark represented Deutsche Bank at board level across numerous industry companies and associations including ISDA, Markit, OTCDerivNet and DTCC DerivServ.

**David Casterton** is Chief Executive Officer, Global Broking. Since September 2012, he has been responsible for the new Global Broking division with regional management teams reporting to him. David

had previously been responsible for all voice broking and related support functions in London and EMEA. Between 1995 and 2008, David worked in a number of senior broking roles and had responsibility for interest rate derivatives, money markets, repos, government bonds and financial futures. Prior to joining the Group in 1995 he was with MW Marshalls and Guy Butler International.

**Gil Mandelzis** is Chief Executive Officer of EBS and Executive Chairman of Traiana. Since March 2012, he has been responsible for the Group's electronic FX business, EBS. Gil co-founded Traiana in April 2000 and he remains Executive Chairman of Traiana. Gil led Traiana's growth from a small start-up to a recognised global leader in post trade services resulting in Traiana's acquisition by the Group in 2007. Gil was appointed to the New York Federal Reserve's Foreign Exchange Committee in 2012.

**Hugh Gallagher** is Chief Executive Officer, Asia Pacific. Since September 2010, he has been responsible for voice broking, technology and support functions throughout Asia Pacific. Hugh was appointed to the GEMG in January 2012. He has held several senior positions within the Group since joining in 1988, including Chief Executive Officer ICAP Australia. Prior to joining the Group, Hugh worked for Citibank and Lloyds in foreign exchange and money markets. Hugh has more than 25 years' experience working in OTC markets in the Asia Pacific region.

**Duncan Wales** is Group General Counsel. Duncan Wales oversees the legal, risk and government affairs functions. He has occupied a number of senior roles within the Group, including director of government affairs, General Counsel EMEA and Asia Pacific and senior counsel to the electronic broking division. Prior to its acquisition by the Group in 2003, Duncan was director of legal affairs at BrokerTec. He spent five years at Clifford Chance as a derivatives and markets specialist. Duncan is a member of the Global Operating Committee and the Group Risk and Capital Committee. He is a member of the GC 100 Group, the Council of the Wholesale Markets Brokers' Association and the City of London's International Regulatory Strategy Group.

**Seth Johnson** is Co-head of BrokerTec and Chief Executive Officer of ISDX. Seth Johnson joined the Group's electronic markets in November 2011 to lead the expansion of its product portfolio. He has been a member of the GEMG since May 2012. He joined the Group as a graduate trainee and has worked in the Group for more than 20 years. For ten years, Seth was the Managing Director of the interest rates options and inflation swaps desks. He oversaw the introduction of new and innovative trading solutions including the volume match system.

The business address of each of the members of the Board of Directors of each of ICAP and IGHP and of the Executive Team is 2 Broadgate, London, EC2M 7UR. There are no potential conflicts of interest between any duties to ICAP, IGHP or the Group of any members of the Board of Directors of each of ICAP or IGHP or of any members of the GEMG and their private interests or other duties.

### **Risk control and management framework**

The significant risks of the Group are continually monitored, assessed and managed by operating a three lines of defence model for the risk management and control of the businesses. The first line of defence comprises senior business and executive management who own the risks and controls for their respective businesses and retain full accountability for control-related business issues. The second line of defence comprises the compliance and risk management functions. These functions are responsible for the Group's risk framework and infrastructure and identify, monitor, mitigate and report key risks. The internal audit function provides the third line of defence by making a systematic and disciplined evaluation of the business, control and governance frameworks, structures, processes and methodologies operating within the Group.

A key tenet of the three lines of defence model is that the senior management of the Group, in particular those senior managers with responsibility for overseeing the front, middle and back office functions, are responsible for all control-related business issues and have full accountability for the management of the

risks in their businesses, within the limits and the control environment established by the Group. All staff and managers are required to take a prudent approach to risk taking and to review regularly the effectiveness of their control environment, predominantly through a risk and control self-assessment process.

The Group's independent control functions (risk, compliance and internal audit) are responsible for ensuring that the control environment is fit for purpose and able to identify and escalate to senior management the Group's key risks and to mitigate these risks where appropriate.

The Group has created an integrated control framework for the three key control functions of risk, compliance and internal audit. In providing assurance as to the effectiveness of the system of internal controls to the Group Risk and Capital Committee, the Audit Committee, the Risk Committee and the board, these three key control functions will, where appropriate and on a planned basis, combine resources, skills and technical expertise in the conduct of monitoring, oversight and review work.

### *Risk management*

The Group's risk management function operates under the mandate set by the board. The Global Chief Risk Officer reports to the Group General Counsel. Under the leadership of regional heads, with guidance from the global risk function to ensure standard best practice, risk departments support each of the businesses globally and are members of business level and regional risk committees. The Global Chief Risk Officer is a member of the Global Operating Committee and the Group Risk and Capital Committee and is a standing attendee of the Risk Committee.

Day-to-day management of risk and its mitigation is the responsibility of business heads. Risk management provides an independent assessment of the Group's risks and supports the business heads in identifying, monitoring, mitigating and reporting key risks through the use of a range of tools. In this way, risk management reviews the Group's activities both functionally and globally.

These tools include:

- independent monitoring and analysis of the Group's current and projected liquidity exposures;
- credit risk limits based on an internal scoring system with near real-time monitoring of credit exposure globally;
- management information, including key risk indicators and product and region specific dashboards;
- global risk management policies and procedures;
- operational risk framework;
- periodic risk and control self assessments and process maps; and
- stress testing on current exposure and scenario and probability analysis.

A number of qualitative and quantitative measures are monitored by risk management to ensure that the businesses' risks remain within acceptable risk appetite and tolerances. Using these measures, the Group produces a number of risk intelligence reports which are disseminated through the governance structures at all levels as appropriate.

### *Compliance management*

The Group's compliance department reports to the Group Head of Compliance who in turn reports to the Group Finance Director. Dedicated compliance departments support the businesses operating in EMEA, the Americas and Asia Pacific regions, each under the leadership of regional heads of compliance who are members of regional and business level risk committees. The Group Head of Compliance is a member of the Group Risk and Capital Committee and is a standing attendee of the Risk Committee.

The Group's compliance department operates under the mandate set by the board. This mandate, inter alia, establishes the compliance department as an independent global control and assurance function which implements and manages the Group's compliance risk management framework. This framework is designed to provide assurance that the Group's business is conducted in accordance with applicable rules, regulations and regulatory standards. As such, the compliance risk management framework incorporates the requirements of applicable law and published international best practice standards including business advisory support, compliance risk assessment and mitigation, compliance monitoring and surveillance, anti-money laundering compliance and the reporting and escalation of potential and crystallised risks.

The Group's compliance department undertakes an annual risk assessment in each region as the basis for the annual compliance plan for those legal entities, desks, offices, business and operating units which will be the subject of compliance review and examination. The Group's compliance risk management framework is risk based, which means that the Group assesses and ranks its compliance risks and prioritises its compliance resources accordingly on a Group, regional and business unit basis.

### *Internal control*

The board is responsible for reviewing the effectiveness of the risk management and the internal control system, which management is responsible for maintaining, and it does this through the Audit Committee and the Risk Committee. The day-to-day business of the Group is managed through a system of financial, operational and compliance controls and monitored by a series of risk management systems. Internal controls are designed to manage rather than eliminate risks and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has investments in a number of joint ventures and associates. Internal control procedures for joint ventures and associates rest with the senior management of these operations and the Group seeks to monitor such investments and exert influence through board representation. The board's review of the effectiveness of the system of internal control in those entities is consequently less comprehensive than in its directly-owned subsidiaries.

The effectiveness of the internal control system is reviewed regularly by the independent internal audit function. The internal audit function reports to the Risk Committee, the Audit Committee with respect to financial controls and functionally to the Group Finance Director. Internal audit establishes an annual audit plan based on discussions with management and an assessment of the risks inherent in the Group's activities. The results of these audits provide assurance to executive management and the Audit Committee and Risk Committee that the system of internal control achieves its objectives and highlights gaps and areas for improvement. The internal audit function is outsourced to KPMG. An evaluation of the KPMG internal audit team was undertaken during the year and the results of the client service review were reviewed by the Audit Committee. The results of the evaluation confirmed that challenge from the internal audit process is robust and effective and process improvements, which were identified by the review, are being implemented.

## Principal Shareholders (as at 13 November 2013)

ICAP's authorised share capital is £110,000,000 divided into 1,100,000,000 shares of 10p each. As at 13 November 2013, ICAP plc had issued share capital of 664,537,006 which includes 16,897,564 Treasury Shares. As at 13 November 2013, ICAP plc had been notified of the following voting rights of 3% or more in its issued share capital:

	Percentage of voting rights			
	Total interest in ordinary shares	Indirect %	Direct %	Total %
Michael Spencer, together with INFBV and INCAP Overseas BV*	109,375,485	16.30	0.59	16.89
Schroders plc	71,235,238	10.998	-	10.998
Silchester International Investors	65,318,569	10.08	-	10.08
FIL Limited	32,710,343	4.99	0.06	5.05
BlackRock, Inc.	32,075,009	4.95	0.05	5.00
Newton Investment Management Ltd	31,907,355	-	4.93	4.93
AXA S.A.	29,749,171	3.79	0.80	4.59

\* Michael Spencer, together with trusts for the benefit of his children of which he is one of the joint trustees, owns a majority shareholding in IPGL Limited, of which INCAP Finance BV (**INFBV**) is a wholly-owned subsidiary. Accordingly, Michael Spencer is deemed to be interested in all the shares in ICAP plc held by INFBV and its wholly-owned subsidiary, INCAP Overseas BV, totalling 105,069,560 shares. A trust of which Michael Spencer's children are beneficiaries and he is a joint trustee owns, a further 50,000 shares and 3,516,558 shares are held by Sanne Trust Company Limited as trustee of the ICAP Employee Share Trust (**ICAP Trust**). The shares held in the ICAP Trust include basic awards to Michael Spencer under the BSMP and matching awards under the BSMP in respect of which there are no unsatisfied performance or continuity of employment conditions. Michael Spencer has an interest in a further 3,284 share options under the SAYE scheme and he has a direct interest in 236,083 shares.

IGHP's authorised share capital is £2,000,000,000 divided into 2,000,000,000 ordinary shares of £1.00 each. As at the date of this Base Prospectus, a single £1 ordinary share of IGHP is owned by Intercapital Limited, with the remaining 233,478,000 issued shares owned by ICAP.

Article 4.1 of IGHP's Memorandum of Association states that the objects for which IGHP is established include, without limitation, to carry on the business as a general commercial company. The objects of ICAP are unlimited.

## Other Matters

### *Revenue per voice broker*

The Group monitors the voice revenue per broker as the most relevant efficiency measure of its Global Broking division. In the financial year ended 31 March 2013, the Group's Global Broking revenue per broker was £439,000 (2012: £498,000).

### *Pensions*

The Group operates a number of defined contribution pension schemes. Payments to defined contribution schemes are recognised as an expense in the consolidated income statement as they fall due. Any difference between the payments and the charge is recognised as a short-term asset or liability. Defined contribution pension costs in the year ended 31 March 2013 were £6m (2012: £6m).

### *Legal matters*

On 25 September 2013, ICAP Europe Limited (**IEL**), one of ICAP's global brokering subsidiaries, reached settlement agreements with the FCA and the US CFTC relating to the involvement of some of ICAP Europe Limited's brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Under the terms of the settlements, IEL agreed to pay penalties of £14 million to the FCA and \$65 million to the US CFTC. The Group has also been working closely and co-operating fully with an ongoing investigation by the U.S. Department of Justice (**DOJ**). The DOJ has not taken action against IEL nor any other ICAP company to date. Based on ICAP's present assessment of this matter, no provision has been made. ICAP continues to respond to requests from several other government agencies in relation to the setting of Yen LIBOR, including the European Commission. It is not practicable to predict the ultimate outcomes of these investigations or to provide an estimate of any potential financial impact on the Group.

In addition, in April 2013 ICAP was added as a named defendant to an existing civil litigation originally filed in April 2012 against certain Yen LIBOR and euro-yen Tibor panel banks in the United States District Court for the Southern District of New York. The complaint alleges the plaintiff was injured as a result of purported manipulation of Yen LIBOR and/or euro-yen Tibor by trading euro-yen Tibor futures contracts, one component of the underlying calculation of which refers to Yen LIBOR or euro-yen Tibor. ICAP has also been named, amongst several LIBOR panel banks and two other interdealer brokers, as a defendant in two civil filings made in August 2013 in Iowa, primarily concerning US dollar LIBOR. It is not practicable to determine the final outcome of these litigations or to provide an estimate of any potential financial impact on the Group, but ICAP intends to defend them vigorously.

In October 2012, four former cash equity brokers of Link Brokers Derivatives LLC (**Link**), one of ICAP's global broking subsidiaries, were charged with wrongdoing by the US Securities Exchange Commission (**SEC**) and DOJ, in respect of conduct that largely pre-dates ICAP's acquisition of Link in April 2008. Since then Link has continued to cooperate with the SEC's investigation. Link closed its cash desk in 2010, and ceased all commercial operations in April 2013. A provision of £8 million was recorded at 30 September 2013 in respect of any potential settlement by Link with the SEC as a result of the former brokers' conduct.

Additionally, the US CFTC has requested information in relation to the Group's role in the setting of the US dollar (**USD**) segment of a benchmark known as ISDAFIX. ICAP continues to cooperate with the US CFTC's inquiries in to the setting of these rates. ICAP Capital Markets LLC is the collection agent for ISDAFIX panel bank submissions in US dollars, but is not a panel member itself. It is not practicable to predict the ultimate outcome of this investigation or to provide an estimate of any potential financial impact on the Group.

From time to time the Group is engaged in litigation in relation to a variety of matters, and is also frequently required to provide information to regulators and other government agencies as part of informal and formal inquiries or market reviews. It is not practicable to quantify the extent of any potential liabilities, but currently there are none expected to have a material adverse impact on the Group's consolidated results or net assets.

#### *Insurance*

The Group's company secretarial department is responsible for negotiating the Group's insurance cover through its broker Jardine Lloyd Thompson plc. Policies are structured on a global basis, written with reputable counterparties and are designed to protect the Group's assets, liabilities and earnings by providing cover for a range of risks customary for the industry. Global policies are supplemented in local markets by policies covering employers' liability, workmen's compensation, motor, personal accident, travel, bonds, uninsured loss recovery and other local requirements.

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# 6

## SELECTED FINANCIAL INFORMATION

This section sets out important historical financial information relating to the Group.



## SELECTED FINANCIAL INFORMATION

### Selected Financial Information of ICAP plc (ICAP) and ICAP Group Holdings plc (IGHP)

The following tables set out in summary form the consolidated income statement, financial position and cash flow statement of ICAP for the six months ended 30 September 2013 and for the years as at and ended 31 March 2013 and 2012 respectively. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the unaudited consolidated interim financial information of ICAP as at and for the six months ended 30 September 2013 and the audited consolidated annual financial statements of ICAP as at and for the years ended 31 March 2013 and 2012 respectively, each of which is incorporated by reference in this Base Prospectus:

#### Consolidated income statement

Six months ended 30 September 2013

	Note	Before acquisition and disposal costs £m	Acquisition and disposal costs £m	Exceptional items £m	Total £m
<b>Continuing operations</b>					
<b>Revenue</b> .....	2	<b>736</b>	-	-	<b>736</b>
Operating expenses .....		(588)	(36)	(68)	(692)
Other income .....		5	-	-	5
<b>Operating profit</b> .....		<b>153</b>	<b>(36)</b>	<b>(68)</b>	<b>49</b>
Net Finance Expense .....		(16)	5	-	(11)
Share of profit of associates after tax .....		2	-	-	2
<b>Profit before tax</b> .....		<b>139</b>	<b>(31)</b>	<b>(68)</b>	<b>40</b>
Tax .....	6	(35)	11	3	(21)
<b>Profit for the period</b> .....		<b>104</b>	<b>(20)</b>	<b>(65)</b>	<b>19</b>

#### Consolidated income statement

Year ended 31 March 2013

	Note	Before acquisition and disposal costs £m	Acquisition and disposal costs (note 22(c)) £m	Exceptional items (note 4) £m	Total £m
<b>Continuing operations</b>					
<b>Revenue</b> .....	1	<b>1,472</b>	-	-	<b>1,472</b>
Operating expenses .....	5	(1,173)	(157)	(60)	(1,390)
Other income .....	24	9	-	-	9
<b>Operating profit</b> .....	1	<b>308</b>	<b>(157)</b>	<b>(60)</b>	<b>91</b>
Net Finance Expense .....		(29)	(1)	-	-30
Share of profit of associates after tax .....	1	5	-	-	5
<b>Profit before tax</b> .....		<b>284</b>	<b>(158)</b>	<b>(60)</b>	<b>66</b>
Tax .....	9	(73)	38	12	(23)
<b>Profit for the year</b> .....		<b>211</b>	<b>(120)</b>	<b>(48)</b>	<b>43</b>

## Consolidated income statement

Year ended 31 March 2012

	Note	Before acquisition and disposal costs £m	Acquisition and disposal costs (note 22(c)) £m	Total £m
<b>Continuing operations</b>				
Revenue .....	1	1,681	-	1,681
Operating expenses.....	5	(1,335)	(150)	(1,485)
Other income .....	24	26	13	39
<b>Operating profit</b> .....	1	<b>372</b>	<b>(137)</b>	<b>235</b>
Net Finance Expense.....		(24)	-	(24)
Share of (profit/loss) of associates after tax	1	6	-	6
<b>Profit before tax</b> .....		<b>354</b>	<b>(137)</b>	<b>217</b>
Tax .....	9	(95)	18	(77)
<b>Profit for the year</b> .....		<b>259</b>	<b>(119)</b>	<b>140</b>

## Consolidated balance sheets

	Group	
	As at 30 September 2013 £m	As at 30 September 2012 £m
<b>Assets</b>		
Non-current assets.....	1,243	1,394
Current assets.....	18,513	70,091
<b>Total assets</b> .....	<b>19,756</b>	<b>71,485</b>
<b>Liabilities</b>		
Current liabilities.....	(18,361)	(69,704)
Non-current liabilities.....	(400)	(642)
<b>Total liabilities</b> .....	<b>(18,761)</b>	<b>(70,346)</b>
<b>Net assets</b> .....	<b>995</b>	<b>1,139</b>
<b>Equity</b>		
<b>Capital and reserves</b>		
Called up share capital.....	66	66
Share premium account .....	454	454
Other reserves .....	85	93
Translation .....	2	25
Retained earnings.....	335	460
<b>Equity attributable to owners of the Company</b>	<b>942</b>	<b>1,098</b>
Non-controlling interests .....	53	41
<b>Total equity</b> .....	<b>995</b>	<b>1,139</b>

	Note	Group	
		As at 31 March 2013 £m	As at 31 March 2012 £m
<b>Assets</b>			
Non-current assets		1,322	1,446
Current assets		17,537	79,851
<b>Total assets</b>		<b>18,859</b>	<b>81,297</b>
<b>Liabilities</b>			
Current liabilities		(17,086)	(79,563)
Non-current liabilities		(617)	(524)
<b>Total liabilities</b>		<b>(17,703)</b>	<b>(80,087)</b>
<b>Net assets</b>		<b>1,156</b>	<b>1,210</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Called up share capital	19(b)	66	66
Share premium account		454	453
Other reserves		78	91
Translation		91	42
Retained earnings		414	516
<b>Equity attributable to owners of the Company</b>		<b>1,103</b>	<b>1,168</b>
Non-controlling interests		53	42
<b>Total equity</b>		<b>1,156</b>	<b>1,210</b>

## Consolidated statements of cash flow

	Note	Group	
		Half year to 30 September 2013 £m	Half year to 30 September 2012 £m
Net cash flows from operating activities	7	33	38
Net cash flows from investing activities		(25)	(14)
Net cash flows from financing activities		(60)	(13)
FX adjustments		(38)	(8)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(90)</b>	<b>3</b>
Net cash and cash equivalents at the beginning of the year		602	538
<b>Net cash and cash equivalents at the end of the year</b>		<b>512</b>	<b>541</b>

	Note	Group	
		As at 31 March 2013 £m	As at 31 March 2012 £m
Net cash flows from operating activities	8(a)	272	312
Net cash flows from investing activities		(17)	(57)
Net cash flows from financing activities		(205)	(116)
FX adjustments		14	(5)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>64</b>	<b>134</b>
Net cash and cash equivalents at the beginning of the year	8(c)	538	404
<b>Net cash and cash equivalents at the end of the year</b>	8(c)	<b>602</b>	<b>538</b>

The following tables set out in summary form the consolidated income statement, financial position and cash flow statement of IGHP for the years as at and ended 31 March 2013 and 2012 respectively. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited consolidated annual financial statements of IGHP as at and for the years ended 31 March 2013 and 2012 respectively, each of which is incorporated by reference in this Base Prospectus:

### Consolidated income statements

	Note	Year ended 31 March 2013 £m	Year ended 31 March 2012 £m
Revenue .....	1	1,343	1,555
Operating expenses.....	2	(1,271)	(1,370)
Other income .....	21	8	33
<b>Operating profit</b> .....		<b>80</b>	<b>218</b>
Net Finance costs .....		47	44
Share of (loss)/profit of associates after tax .....	12	4	5
<b>Profit before tax</b> .....		<b>37</b>	<b>179</b>
Tax .....	7	(20)	(63)
<b>Profit for the year</b> .....		<b>17</b>	<b>116</b>

### Consolidated balance sheets

	Note	As at 31 March 2013 £m	As at 31 March 2012 £m
<b>Assets</b>			
Non-current assets .....		1,353	1,453
Current assets.....		17,565	79,734
<b>Total assets</b> .....		<b>18,918</b>	<b>81,187</b>
<b>Liabilities</b>			
Current liabilities .....		(17,199)	(79,536)
Non-current liabilities .....		(1,063)	(1,071)
<b>Total liabilities</b> .....		<b>(18,262)</b>	<b>(80,607)</b>
<b>Net assets</b> .....		<b>656</b>	<b>580</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Called up share capital .....	17	233	233
Other reserves.....	18	299	312
Translation.....		231	173
Retained earnings.....		(157)	(177)
<b>Equity attributable to owners of the Company</b>		<b>606</b>	<b>541</b>
Non-controlling interests .....		50	39
<b>Total equity</b> .....		<b>656</b>	<b>580</b>

## Consolidated statement of cash flow

		As at 31 March 2013 £m	As at 31 March 2012 £m
Note			
	6	81	149
Net cash flows from operating activities.....		(14)	(55)
Net cash flows from investing activities .....		(30)	56
Net cash flows from financing activities .....		18	3
FX adjustments.....		55	153
Net (decrease)/increase in cash and cash equivalents .....		494	341
Cash and cash equivalents at beginning of the year .....		549	494
Cash and cash equivalents at end of the year .....	6		

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# 7

## SUBSCRIPTION AND SALE

This section contains a description of the material provisions of the Subscription Agreement.

## SUBSCRIPTION AND SALE

### Introduction

All references to the **Issuer** or the **relevant Issuer** are to ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**), as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to **Obligors** shall mean both of them. The payment of all amounts owing in respect of Notes issued by ICAP will, in certain circumstances, be unconditionally and irrevocably guaranteed by IGHP under its guarantee in respect of such Notes (the **Guarantee**) (in such capacity, IGHP is referred to as the Guarantor).

### Summary of Dealer Agreement

The Dealers have, in an amended and restated programme agreement (the **Programme Agreement**) dated 22 November 2013, agreed with the Obligors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Obligors have agreed to reimburse the Dealers for certain of their expenses in connection with any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### Transfer Restrictions

***As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.***

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs, it is not formed for the purpose of investing in the Notes and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will not do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 starting from the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, other than (a) to the relevant Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904

under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

- (iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITIES REPRESENTED HEREBY ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR REALES OF THE SECURITY.

THE SECURITIES REPRESENTED HEREBY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY THE HOLDER OF THE SECURITIES REPRESENTED HEREBY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH



AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THE SECURITIES REPRESENTED HEREBY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

- (viii) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

## **Selling Restrictions**

### *United States*

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be delivered, offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions 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 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. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), 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 such Regulation S Notes (i) as part of their distribution at any time or (ii) 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 Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S 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.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer or, in the case of Notes issued by ICAP, IGHP is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the **Exchange Act**) or the information furnishing requirements of Rule 12g3-2(b) thereunder, each of the Obligors has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

#### *Public Offer Selling Restriction under the Prospectus Directive*

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 and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base 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:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been

completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (d) above shall require the relevant Issuer, the Guarantor (if applicable) 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 and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

#### *Selling Restrictions Addressing Additional United Kingdom Securities Laws*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (a) 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 (b) 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 Financial Services and Markets Act 2000 (the **FSMA**) by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or, in the case of Notes issued by ICAP, the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## *Japan*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## *General*

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and any related offering materials and will obtain any consent, approval or permission required by it for the subscription for, purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such subscriptions, purchases, offers, sales or deliveries and none of the Obligors, BNY Mellon Corporate Trustee Services Limited (the **Trustee**) and any of the other Dealers shall have any responsibility therefor.

None of Obligors, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree.

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# 8

## INFORMATION INCORPORATED BY REFERENCE

This section contains a description of the information that is deemed to be incorporated by reference in this Base Prospectus.

## INFORMATION INCORPORATED BY REFERENCE

All references to **Obligors** shall mean each of ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**).

The following documents have been filed with the Financial Conduct Authority (the **FCA**) (the **Filed Documents**):

- (a) the unaudited consolidated financial information of ICAP for the six months ended 30 September 2013 contained in the ICAP plc 2013 Half-yearly Financial Report (**ICAP's Half-year Interim Accounts 2013**);
- (b) the auditors' report and audited consolidated annual financial statements of ICAP for the financial year ended 31 March 2012 (**ICAP's Annual Report and Accounts 2012**);
- (c) the auditors' report and audited consolidated annual financial statements of ICAP for the financial year ended 31 March 2013 (**ICAP's Annual Report and Accounts 2013**);
- (d) the auditors' report and audited consolidated annual financial statements of IGHP for the financial year ended 31 March 2012 (**IGHP's Annual Report and Accounts 2012**);
- (e) the auditors' report and audited consolidated annual financial statements of IGHP for the financial year ended 31 March 2013 (**IGHP's Annual Report and Accounts 2013**); and
- (f) the Terms and Conditions of the Notes contained in previous Base Prospectus dated 26 June 2012, 30 June 2009, and 16 June 2008 prepared by the Obligors in connection with the Programme.

The tables below set out the page number references for certain sections of the Filed Documents. The sections denoted by those page number references form part of this Base Prospectus and are referred to in this Base Prospectus as the **information incorporated by reference**.

### Unaudited consolidated financial information of ICAP for the six months ended 30 September 2013 as contained in "ICAP's Half-year Interim Accounts 2013"

Information incorporated by reference into this Base Prospectus	Page number(s) in "ICAP's Half-year Interim Accounts 2013"
Balance Sheet	Page 20
Income statement	Pages 18-19
Cash Flow Statement	Page 22
Notes to the Financial Statements	Pages 23-29
Independent Review Report	Page 30

### Audited and consolidated annual financial statements of ICAP for the financial year ended 31 March 2012 as contained in "ICAP's Annual Report and Accounts 2012"

Information incorporated by reference into this Base Prospectus	Page number(s) in "ICAP's Annual Report and Accounts 2012"
Balance Sheet	Page 71
Income statement	Pages 68-69
Cash Flow Statement	Page 74
Accounting Principles and Notes	Pages 75-133
Audit report	Page 65

**Audited and consolidated annual financial statements of ICAP for the financial year ended 31 March 2013 as contained in “ICAP’s Annual Report and Accounts 2013”**

<b>Information incorporated by reference into this Base Prospectus</b>	<b>Page number(s) in “ICAP’s Annual Report and Accounts 2013”</b>
Balance Sheet	Page 85
Income statement	Page 82
Cash Flow Statement	Page 88
Accounting Principles and Notes	Pages 93-145
Audit report	Page 79

**Audited and consolidated annual financial statements of IGHP for the financial year ended 31 March 2012 as contained in “IGHP’s Annual Report and Accounts 2012”**

<b>Information incorporated by reference into this Base Prospectus</b>	<b>Page number(s) in “IGHP’s Annual Report and Accounts 2013”</b>
Balance Sheet	Page 7
Income statement	Page 5
Cash Flow Statement	Page 10
Accounting Principles and Notes	Pages 11-54
Audit report	Page 4

**Audited and consolidated annual financial statements of IGHP for the financial year ended 31 March 2013 as contained in “IGHP’s Annual Report and Accounts 2013”**

<b>Information incorporated by reference into this Base Prospectus</b>	<b>Page number(s) in “IGHP’s Annual Report and Accounts 2013”</b>
Balance Sheet	Page 7
Income statement	Page 5
Cash flow Statement	Page 10
Accounting Principles and Notes	Pages 11-60
Audit report	Page 4

**Base prospectus relating to the Programme dated 26 June 2012**

<b>Information incorporated by reference into this Base Prospectus</b>	<b>Page numbers in the base prospectus relating to the Programme dated 26 June 2012</b>
The Terms and Conditions of the Notes	Pages 56-87 (inclusive)

**Base prospectus relating to the Programme dated 30 June 2009**

<b>Information incorporated by reference into this Base Prospectus</b>	<b>Page numbers in the base prospectus relating to the Programme dated 30 June 2009</b>
The Terms and Conditions of the Notes	Pages 42-77 (inclusive)

**Base Prospectus relating to the Programme dated 16 June 2008**

<b>Information incorporated by reference into this Base Prospectus</b>	<b>Page numbers in the base prospectus relating to the Programme dated 16 June 2008</b>
The Terms and Conditions of the Notes	Pages 37-68 (inclusive)

Following the publication of this Base Prospectus a supplement may be prepared by the Obligors and approved by the FCA acting via its division the UK Listing Authority. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

To the extent that any statement that is contained in the information incorporated by reference is modified or superseded (whether expressly, by implication or otherwise) for the purpose of this Base Prospectus by a statement contained in this Base Prospectus, such statements will not, except as so modified or superseded, form a part of this Base Prospectus.

Any documents which are themselves incorporated by reference in the information incorporated by reference in this Base Prospectus will not form part of this Base Prospectus.

Those parts of the Filed Documents other than the information incorporated by reference are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Base Prospectus.

Physical copies of the Filed Documents can be obtained without charge from the registered office of the Obligors at 2 Broadgate, London EC2M 7UR, United Kingdom and from the specified office of the Paying Agent for the time being in London and electronic copies of such documents can be obtained at ICAP's website at [www.icap.com/investor-relations/debt-holder-information/global-medium-term-note-programme.aspx](http://www.icap.com/investor-relations/debt-holder-information/global-medium-term-note-programme.aspx).



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# 9

## ADDITIONAL INFORMATION

**This section sets out further information on the Obligors and the Programme which the Obligors are required to include under applicable rules.**

These include the availability of certain relevant documents for inspection, confirmations from the Obligors and details of the listing of the Notes.

## ADDITIONAL INFORMATION

### Introduction

All references to the **relevant Issuer** are to ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**), as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to **Issuers** or **Obligors** shall mean both of them.

All references to the **Group** are to ICAP, its subsidiaries (which includes IGHP) and its subsidiary undertakings taken as a whole.

### Listing and admission to trading of the Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market or, as the case may be, the ICAP Securities and Derivatives Exchange Limited's (**ISDX**) Main Board will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market and to ISDX for such Notes to be admitted to trading on ISDX's Main Board. The listing of the Programme in respect of Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus is expected to be granted on or about 27 November 2013, although there can be no assurance that the application for listing will be accepted. Prior to official listing and admission to trading of such Notes, however, dealings will be permitted by the London Stock Exchange and/or ISDX in accordance with its rules. Transactions on the London Stock Exchange's regulated market and the ISDX's Main Board will normally be effected for delivery on the third working day after the day of the transaction. The Issuers may also issue Notes under the Programme that are admitted to trading through the electronic order book for retail bonds of the London Stock Exchange.

The London Stock Exchange's regulated market and the ISDX's Main Board are regulated markets for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (**MiFID**). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote crossborder business, market transparency and the protection of investors.

### Authorisations

The establishment and subsequent update of the Programme by ICAP has been duly authorised by resolutions of the Board of Directors of ICAP dated 15 May 2008, 14 June 2012 and 7 November 2013, and resolutions of a duly constituted committee of the Board of Directors of ICAP dated 13 June 2008, 25 June 2012 and 15 November 2013. The accession to the Programme by IGHP and the subsequent update to the Programme has been duly authorised by resolutions of the Board of Directors of IGHP dated 29 June 2009, 25 June 2012 and 15 November 2013.

### Significant or material change statement

Save for the regulatory settlements disclosed under the heading "Legal Matters" on pages 78-79, there has been no significant change in the financial or trading position of (i) ICAP or the Group since 30 September 2013 or (ii) IGHP or IGHP and its subsidiaries (the **IGHP Group**) since 31 March 2013 and there has been no material adverse change in the financial position or prospects of ICAP, the Group, IGHP or the IGHP Group since 31 March 2013.

## **Litigation statement**

Save as disclosed under the heading “Legal Matters” on pages 78-79 of this Base Prospectus, there are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either ICAP, the Group, IGHP or the IGHP Group is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of ICAP, the Group, IGHP or the IGHP Group.

## **Bearer Notes having a maturity of more than one year**

Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

## **Clearing systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by the Depository Trust Company (**DTC**). The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041.

If so specified in the applicable Final Terms, interests in the Notes may also be held through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (**CREST**) through the issuance of CDIs representing Underlying Notes. The address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB.

## **Documents available for inspection**

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Obligors:

- (a) the Memorandum and Articles of Association of each of the Obligors;
- (b) the unaudited interim financial information of ICAP for the six months ended 30 September 2013;
- (c) the audited consolidated financial statements of ICAP in respect of the financial years ended 31 March 2012 and 31 March 2013, in each case together with the audit reports prepared in connection therewith;
- (d) the consolidated financial statements of IGHP in respect of the financial years ended 31 March 2012 and 31 March 2013, in each case together with the audit reports prepared in connection therewith;

- (e) the most recently published audited annual financial statements of each of the Obligors and the most recently published unaudited interim financial information of each of the Obligors, in each case together with any audit or review reports prepared in connection therewith;
- (f) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (g) a copy of this Base Prospectus; and
- (h) any future Base Prospectus, prospectuses, information memoranda and supplements including Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

## **Auditors**

The auditors of the Obligors are PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, who have audited ICAP's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 31 March 2012 and 31 March 2013 and who have audited IGHP's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 31 March 2012 and 31 March 2013. The auditors of the Obligors have no material interest in either ICAP or IGHP.

## **Dealers transacting with the Obligors**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to ICAP and/or IGHP and/or their respective affiliates in the ordinary course of business. 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 ICAP and/or IGHP and/or their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with ICAP and/or IGHP routinely hedge their credit exposure to ICAP and/or IGHP 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 short positions in securities, including potentially the Notes issued under the Programme. Any such short 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.

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## IMPORTANT LEGAL INFORMATION

This section contains some important legal information regarding the basis on which this Base Prospectus may be used, forward-looking statements and other matters.

## IMPORTANT LEGAL INFORMATION

### Introduction

All references to the **relevant Issuer** or an **Obligor** are to ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**), as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to **Obligors** shall mean both of them. The payment of all amounts owing in respect of Notes issued by ICAP will, in certain circumstances, be unconditionally and irrevocably guaranteed by IGHP (in such capacity, IGHP is referred to as the **Guarantor**).

All references to the **Group** are to ICAP, its subsidiaries (which includes IGHP) and its subsidiary undertakings taken as a whole.

This Base Prospectus has been prepared on a basis that permits a “**Public Offer**”, which means an offer of Notes in the United Kingdom for which there is a requirement to publish a prospectus under Article 3 of the Prospectus Directive. In relation to Notes issued under the Programme which are to be offered as part of a Public Offer, the Issuer may provide its consent to the use of the Base prospectus for the subsequent resale or final placement of Notes by financial intermediaries, provided that the subsequent resale or final placement of Notes by such financial intermediaries is made during the relevant offer period. Any person making or intending to make a Public Offer of Notes in the United Kingdom on the basis of this Base Prospectus must do so only with the Obligors’ consent – see “Consent given in accordance with Article 3.2 of the Prospectus Directive” below.

### Consent given in accordance with Article 3.2 of the Prospectus Directive

Each Obligor accepts responsibility, in the United Kingdom, for the content of this Base Prospectus under section 90 of the FSMA in relation to any person in the United Kingdom to whom an offer of any Notes is made by a financial intermediary to whom the relevant Issuer has given consent to the use of this Base Prospectus, where the offer is made in compliance with all conditions attached to the giving of such consent. Such consent and the attached conditions are set out under “*Consent*” and “*Common Conditions to Consent*” below.

Except in the circumstances described below, none of the Obligors and any Dealer has authorised the making of any Public Offer and the relevant Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of any Notes. Any offer made without the consent of the relevant Issuer is unauthorised and none of the Obligors and any Dealer accepts any responsibility in relation to such offer.

If, in the context of a Public Offer, an investor is offered Notes by a person which is not an Authorised Offeror, such investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of section 90 of the FSMA in the context of the Public Offer and, if so, who that person is. If such investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, it should take legal advice.

### Consent

Where the Final Terms in relation to a Tranche of Notes indicate that such Notes may be distributed by way of a Public Offer, then subject to the conditions set out below under “*Common Conditions to Consent*”:

- (a) the relevant Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Notes during the relevant Offer Period stated in the applicable Final Terms by:

- (i) the relevant Dealer and any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms and which (if required by the applicable Final Terms) satisfies the Authorised Offeror Terms and other conditions as may be specified in the applicable Final Terms; and
  - (ii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the relevant Issuer's website ([www.icap.com/investor-relations/debt-holder-information/global-medium-term-note-programme.aspx](http://www.icap.com/investor-relations/debt-holder-information/global-medium-term-note-programme.aspx)) and identified as an Authorised Offeror in respect of the relevant Public Offer and which (if required by the applicable Final Terms) satisfies the Authorised Offeror Terms and other conditions as may be specified in the applicable Final Terms;
- (b) if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the relevant Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Notes during the relevant Offer Period stated in the applicable Final Terms by any financial intermediary which satisfies the following conditions:
- (i) it is authorised to make such offers under the Financial Services and Markets Act 2000, as amended, or other applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) (in which regard, Investors should consult the register maintained by the Financial Conduct Authority at: [www.fca.gov.uk/register/home.do](http://www.fca.gov.uk/register/home.do)); and
  - (ii) it accepts the relevant Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

*"We, [●], refer to the [●] (the **Notes**) described in the Final Terms dated [insert date] (the **Final Terms**) published by [●] (the **Issuer**). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly."*

The **Authorised Offeror Terms**, being the terms to which the relevant financial intermediary agrees in connection with using the Base Prospectus, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Obligors and the relevant Dealer that it will, at all times in connection with the relevant Public Offer:
  - I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**), including the Rules published by the United Kingdom Financial Conduct Authority (**FCA**) (including its guidance for distributors in "*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor, and will immediately inform the Obligors and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation

of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

- II. comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer;
- III. ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- IV. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the Financial Services and Markets Act 2000;
- V. comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- VI. retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer, the Obligors, or directly to the appropriate authorities with jurisdiction over the Obligors and/or the relevant Dealer in order to enable the Obligors and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Obligors and/or the relevant Dealer;
- VII. ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of an Obligor or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- VIII. co-operate with Obligors and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (VI) above) upon written request from an Obligor or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the such Obligor or the relevant Dealer:

(i) in connection with any request or investigation by the FCA or any other regulator in relation to the Notes, an Obligor or the relevant Dealer; and/or



(ii) in connection with any complaints received by an Obligor and/or the relevant Dealer relating to an Obligor and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by the FCA and/or any other regulator of competent jurisdiction from time to time; and/or

(iii) which the an Obligor or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow such Obligor or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- IX. during the period of the initial offering of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;
- X. either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- XI. ensure that it does not, directly or indirectly, cause the an Obligor or the relevant Dealer to breach any Rule or subject an Obligor or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- XII. comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Public Offer as specified in the applicable Final Terms;
- XIII. make available to each potential Investor in the Notes the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the relevant Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus and the applicable Final Terms; and
- XIV. if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the relevant Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it

will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the relevant Issuer, that such financial intermediary is solely responsible for such communication and that none of Obligors and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Obligors or the relevant Dealer (as applicable), use the legal or publicity names of the Obligors or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the relevant Issuer as issuer of the relevant Notes and, in the case of Notes issued by ICAP, the Guarantor as the guarantor of the relevant Notes on the basis set out in the Base Prospectus;

- (B) agrees and undertakes to indemnify each of the Obligors and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Obligors or the relevant Dealer; and
- (C) agrees and accepts that:
  - I. the contract between the relevant Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the relevant Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Public Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
  - II. subject to (IV) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the relevant Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;
  - III. for the purposes of (C)(II) and (IV), the financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
  - IV. to the extent allowed by law each Obligor and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other

court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and

- V. the Guarantor (if applicable) and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any financial intermediary who is an Authorised Offeror falling within (b) above who meets all of the conditions set out in (b) and the other conditions stated in "Common Conditions to Consent" below and who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) specified at paragraph (b)(ii) above.**

### ***Common Conditions to Consent***

The conditions to the relevant Issuer's consent to the use of this Base Prospectus in the context of the relevant Public Offer are (in addition to the conditions described in paragraph (b) above if Paragraph (vii) of Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms;
- (ii) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in the United Kingdom, as specified in the applicable Final Terms; and
- (iii) the consent is subject to any other conditions set out in Paragraph (viii) of Part B of the applicable Final Terms.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

**In the event of any Public Offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the Public Offer at the time the Public Offer is made.**

The only Relevant Member State which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any Relevant Member States are so specified) as indicated in (ii) above, will be the United Kingdom, and accordingly each Tranche of Notes may only be offered to Investors as part of a Public Offer in the United Kingdom, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish or supplement a prospectus for such offer.

### ***ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS***

**IN THE EVENT OF A PUBLIC OFFER BEING MADE BY AN AUTHORISED OFFEROR, THE AUTHORISED OFFEROR WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE PUBLIC OFFER AT THE TIME THE PUBLIC OFFER IS MADE.**

## Notice to investors

Notes issued under the Programme may not be a suitable investment for all investors. Investors must determine the suitability of any investment in light of their own circumstances. In particular, investors may wish to consider, either on their own or with the help of their financial and other professional advisers, whether they:

- (a) have 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 Base Prospectus (and any applicable supplement to this Base Prospectus);
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on their overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the currency which they usually use;
- (d) understand thoroughly the terms of the Notes and are familiar with the behaviour of any relevant indices and financial markets; and
- (e) are able to evaluate (either alone or with the help of their financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

No person is or has been authorised by the Obligors, the Dealers or BNY Mellon Corporate Trustee Services Limited (the **Trustee**) to give any information or to make any representation not contained in or not consistent with this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Obligors, the Dealers or the Trustee.

Neither the publication of this Base Prospectus nor the offering, sale or delivery of the Notes shall, under any circumstances, create any implication that there has been no change in the affairs of the Obligors since the date of this Base Prospectus or that there has been no adverse change in the financial position of either or both of the Obligors since the date of this Base Prospectus or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. None of the Dealers and the Trustee undertakes to review the financial condition or affairs of either of the Obligors during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

Neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes should be considered as a recommendation by the Obligors, the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Investors should determine for themselves the relevance of the information contained in this Base Prospectus and any purchase of Notes should be based upon such investigation as they deem necessary.

## The Dealers and the Trustee

To the fullest extent permitted by law, none of the Trustee and the Dealers accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Trustee or a Dealer or on its behalf in connection with the Obligors or the issue and offering of the Notes.

The Trustee and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus or any such statement.

### **No incorporation of websites**

The contents of the websites of the Group do not form part of this Base Prospectus, and investors should not rely on them.

### **Stabilisation**

In connection with the issue of any Tranche of Notes (as defined in “Terms and Conditions of the Notes”), one or more relevant Dealer or Dealers (the **Stabilising Manager(s)**) (or any person acting on behalf of any Stabilising 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, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended 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. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) or person(s) acting on behalf of any Stabilising Manager(s) in accordance with all applicable laws and rules.

### **Forward-looking statements**

This Base Prospectus includes statements that are, or may be deemed to be, ‘forward-looking statements’. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, or ‘should’ or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Obligors and the Group concerning, amongst other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group’s operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These and other factors are discussed in more detail under Section 2 (*Risk Factors*) and Section 5 (*Description of the Obligors*). Many of these factors are beyond the control of the Obligors and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which the forward-looking statements are based prove incorrect, actual results may vary materially from those described in this Base Prospectus as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Obligors do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Base Prospectus.

## English law as of the date of this Base Prospectus

This Base Prospectus is based on English law in effect as of the date of issue of this Base Prospectus. Except to the extent required by laws and regulations, the Obligors do not intend, and do not assume any obligation, to update the Base Prospectus in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

## U.S. Information

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of qualified institutional buyers (**QIBs**) for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act (**Rule 144A**) or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes (including the Guarantee) to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes (including the Guarantee) may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together **Legended Notes**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale and Transfer and Selling Restrictions*” and “*Terms and Conditions of the Notes – Transfer of Registered Notes*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “Form of the Notes”.

## Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## Available Information

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” (as defined in Rule 144A) within the meaning of the Securities Act, each of the Obligors has undertaken in the Trust Deed (as defined herein) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer or, in the case of Notes issued by ICAP, IGHP is neither a

reporting company subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

### **Service of Process and Enforcement of Civil Liabilities**

Each Obligor is a corporation organised under the laws of England and Wales. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Obligors and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside England and Wales upon the Obligors or such persons, or to enforce judgments against them obtained in courts outside England and Wales predicated upon civil liabilities of the Obligors or such directors and officers under laws other than English law, including any judgment predicated upon United States federal securities laws. The Obligors have been advised by Clifford Chance LLP, their counsel, that there is doubt as to the enforceability in England and Wales in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

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# A

## APPENDIX A

### DEFINED TERMS INDEX

The following is an index that indicates the location in this Base Prospectus where certain terms have been defined.



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All references in this Base Prospectus to “**sterling**” and “**£**” refer to pounds sterling. In addition, all references to “**US dollars**”, “**\$**” and “**US\$**” refer to United States dollars and all references to “**Euro**” and “**€**” are to the currency introduced at the start of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

References to the singular in this document shall include the plural and *vice versa*, where the context so requires. The terms “subsidiary” and “subsidiary undertaking” have the meanings given to them under section 1159 of the Companies Act 2006. All references to time in this Base Prospectus are to London time.

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# **B**

## **APPENDIX B**

### **TERMS AND CONDITIONS OF THE NOTES**

**This appendix sets out the terms and conditions which apply to the Notes issued under the Programme.**

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by either ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**). References herein to the **Issuer** shall be construed to mean whichever of ICAP or IGHP is specified as the Issuer in the applicable Final Terms (as defined below). This Note is constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 16 June 2008 made between ICAP and BNY Mellon Corporate Trustee Services Limited (the **Trustee**, which expression shall include any successor as Trustee).

*IGHP acceded to the Programme as an Issuer and, in the case of Notes issued by ICAP, as the Guarantor pursuant to a First Supplemental Trust Deed dated 30 June 2009 made between ICAP, IGHP and the Trustee.*

Notes issued by ICAP are (subject to the provisions of Condition 3(b)) unconditionally and irrevocably guaranteed by IGHP (in such capacity, the **Guarantor**) pursuant to the terms of the Trust Deed. All references herein to the Guarantor and the Guarantee (as defined in Condition 3(b)) shall not apply to any other Notes.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

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

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 22 November 2013 and made between ICAP, IGHP, the Trustee, The Bank of New York Mellon acting through its London branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon acting through its New York branch as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the **Agents**). If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange plc (the **London Stock Exchange**), the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service and copies of the Final Terms in relation to Notes to be listed on ISDX will also be published on the website of ISDX through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

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

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

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

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

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor (if applicable), the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (if applicable), the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor (if applicable), the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

For so long as The Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed and the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

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

## **2. Transfers of registered notes**

### **(a) Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial

transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denomination(s) set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

**(b) Transfers of Registered Notes in definitive form**

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denomination(s) set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

**(c) Registration of transfer upon partial redemption**

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

**(d) Costs of registration**

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

**(e) Transfers of interests in Regulation S Global Notes**



Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person (as defined in Regulation S) will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of 2(e)(i) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

**(f) Transfers of interests in Legended Notes**

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate, copies of which are available from the specified office of any Transfer Agent, from the transferor of the Legended Note or beneficial interest therein to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence

as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

**(g) Exchanges and transfers of Registered Notes generally**

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

**(h) Definitions**

In the Conditions, the following expressions shall have the following meanings:

**Distribution Compliance Period** means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

**Legended Note** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

**QIB** means a **qualified institutional buyer** within the meaning of Rule 144A;

**Registered Global Note** means a Global Note representing Registered Notes;

**Regulation S** means Regulation S under the Securities Act;

**Regulation S Global Note** means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Note** means a Registered Global Note representing Notes sold in the United States or to QIBs;

**Securities Act** means the United States Securities Act of 1933, as amended; and

**U.S. persons** has the meaning given to it in Regulation S.

**3. Status of the Notes and the Guarantee**

**(a) Status of the Notes**

The Notes and any relative Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject as aforesaid and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

**(b) Status of the Guarantee of IGHP in respect of Notes issued by ICAP**

The due performance of all payment and other obligations of ICAP under Notes issued by it and any relative Coupons and the Conditions and the Trust Deed in relation thereto has been unconditionally and irrevocably guaranteed (as more particularly described in the Trust Deed) by IGHP in its capacity as the Guarantor. The obligations of the Guarantor under its guarantee (the

**Guarantee**) constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of IGHP and rank (subject as aforesaid and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of IGHP from time to time outstanding.

At any time after the first date on which IGHP shall have outstanding no Financial Indebtedness (as defined in Condition 4(c) below), the Trustee shall (at the request of IGHP in the form of a certificate signed by two Directors of IGHP, which certificate shall also certify that no such Financial Indebtedness is currently outstanding and that no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred or is expected to occur and upon which certificate the Trustee may rely absolutely) execute a supplemental trust deed releasing IGHP from its obligations as Guarantor under the Guarantee and under the Trust Deed (in such capacity) in respect of any Notes already issued or to be issued by ICAP, but without prejudice to its obligations as Issuer in respect of any Notes or as IGHP under the Trust Deed. The fees, costs and expenses of the Trustee in connection with such a release shall be paid by IGHP, failing whom, ICAP.

IGHP has covenanted in the Trust Deed that, from such time that IGHP is released from its obligations as Guarantor in respect of Notes issued by ICAP, it will not acquire, assume or incur any Financial Indebtedness unless prior thereto it shall have entered into a supplemental trust deed (in a form satisfactory to the Trustee) pursuant to which it will:

- (i) guarantee all Notes issued by ICAP prior to such date;
- (ii) agree to guarantee all Notes to be issued by ICAP after such date on the terms set out in the Guarantee; and
- (iii) be bound by all provisions of the Trust Deed and these Conditions applicable to the Guarantor.

In connection therewith, IGHP shall procure the delivery to the Trustee (at the time of entry into such supplemental trust deed) of a legal opinion as to the validity and enforceability (and such other matters as the Trustee shall require and as shall be customarily contained in such a legal opinion) of its obligations under such supplemental trust deed in a form satisfactory to the Trustee. The fees, costs and expenses of the Trustee in connection with the provision of such a guarantee shall be paid by IGHP, failing whom, ICAP.

#### **4. Negative pledge and covenant relating to IGHP's status within the Group**

This Condition 4 shall apply only to the Notes and references to Notes and Noteholders shall be construed accordingly.

##### **(a) Negative pledge**

So long as any of the Notes remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor (if applicable) shall, and ICAP shall procure that no Principal Subsidiary (as defined in Condition 10) shall, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of their respective present or future businesses, undertakings, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer and the Guarantor (if applicable), in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by the Issuer under the Notes and by the Guarantor under the Guarantee (if applicable) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders, provided that any Principal Subsidiary acquired after the Issue Date (as defined in the applicable Final Terms) may have an outstanding Security Interest with respect to any Relevant Indebtedness (without the obligation to secure the Notes as aforesaid) so long as:
  - (A) either such Security Interest was outstanding on the date on which such Principal Subsidiary became a Principal Subsidiary and was not created in contemplation of such Principal Subsidiary becoming a Principal Subsidiary or such Security Interest was created in substitution for or to replace either such outstanding Security Interest or any such substituted or replacement security; and
  - (B) the principal amount of any Relevant Indebtedness secured is not increased after the date such Principal Subsidiary became a Principal Subsidiary.

**(b) Status of IGHP within the Group**

For so long as IGHP has obligations as Guarantor under the Guarantee and under the Trust Deed and/or is an Issuer of any outstanding Notes, the Issuer (and, where the Issuer is ICAP, IGHP) shall ensure that, as at the last day of each Measurement Period, IGHP Group Consolidated EBITDA for such Measurement Period is greater than or equal to 85 per cent. of Group Consolidated EBITDA for such Measurement Period.

**(c) Definitions**

For the purposes of the Conditions:

**EBITDA** means the consolidated or, in the case of a Subsidiary with Subsidiaries, unconsolidated pre-taxation profits of a member of the Group for a Measurement Period as adjusted by:

- (i) adding back any finance costs;
- (ii) deducting any finance income; and
- (iii) adding back depreciation and amortisation, including impairment of intangibles;

**Financial Indebtedness** means any indebtedness (other than indebtedness owed by one member of the Group to another) for or in respect of:

- (i) moneys borrowed;
- (ii) any acceptance credit;

- (iii) any bond, note, debenture, loan stock or other similar instrument excluding such instruments that receive equity accounting treatment under IFRS;
- (iv) any redeemable preference share;
- (v) any agreement treated as a finance or capital lease in accordance with IFRS;
- (vi) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (vii) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (viii) without any double counting, any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution where, in each case, the primary liability is as described in paragraphs (i) to (vii) above; or
- (ix) without any double counting, any guarantee, indemnity or similar assurance (other than the Guarantee) against financial loss of any person in respect of any item referred to in the above paragraphs,

but excluding, in each case, any borrowings, or any guarantee, indemnity or similar assurance in respect of any borrowings, arising in the normal course of business as a result of delays arising in the clearing and settlement of commercial brokerage transactions, subject to any such commercial brokerage transaction not having been outstanding for a period exceeding 10 business days from (and including) the original settlement date in respect of such commercial brokerage transaction;

**Group** means ICAP and its Subsidiaries;

**Group Consolidated EBITDA** means the consolidated pre-taxation profits of the Group for a Measurement Period as adjusted by:

- (i) adding back any finance costs;
- (ii) deducting any finance income;
- (iii) adding back depreciation and amortisation, including impairment of intangibles;
- (iv) provided that if any exceptional, one-off, non-recurring or extraordinary items occurring in that Measurement Period exceed in aggregate 10 per cent. of Group Consolidated EBITDA, as calculated pursuant to paragraphs (i) to (iii) above, for that Measurement Period, such items shall (to the extent of the relevant excess) be excluded; and
- (v) for the purposes of the definition of “Principal Subsidiary” in this Condition 4(d):
  - (A) including (subject as set out below) the EBITDA of a member of the Group acquired during that Measurement Period for the part of the Measurement Period when it was not a member of the Group;

but

- (B) excluding the EBITDA attributable to any member of the Group sold during that Measurement Period.

For the purposes of sub-paragraph (A) above:

- (x) the EBITDA of a member of the Group which was acquired more than 90 days before the end of the Measurement Period will be adjusted by taking the EBITDA of the acquired member of the Group accrued for the period commencing on the date of its acquisition to (and including) the last day of the relevant Measurement Period multiplied by  $365/X$  (where  $X$  is the number of days elapsed from the date of its acquisition to (and including) the last day of the relevant Measurement Period) and
- (y) the EBITDA of a member of the Group which was acquired less than 90 days before the end of a Measurement Period shall be the sum of (i) the EBITDA of the acquired member of the Group determined in accordance with IFRS for the period from the date of its acquisition to (and including) the last day of the relevant Measurement Period and (ii) the EBITDA of the relevant member of the Group (based on the accounts prepared by the vendor but adjusted so as to be consistent with IFRS) for the period from the first day of the relevant Measurement Period to the date of its acquisition;

For the purposes of this definition, Group Consolidated EBITDA shall be calculated by reference to:

- (vi) for the purposes of the definition of “Principal Subsidiary”, the amounts shown in the most recent consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited), as adjusted in the manner described above; and
- (vii) for the purposes of Condition 4(b), the amounts shown in the audited consolidated annual financial statements of ICAP for the relevant Measurement Period, as adjusted in the manner described above;

**IFRS** means international financial reporting standards;

**IGHP Group** means IGHP and its Subsidiaries;

**IGHP Group Consolidated EBITDA** means the consolidated pre-taxation profits of the IGHP Group for a Measurement Period as adjusted by:

- (i) adding back any finance costs;
- (ii) deducting any finance income; and
- (iii) adding back depreciation and amortisation, including impairment of intangibles;

provided that if any exceptional, one-off, non-recurring or extraordinary items occurring in that Measurement Period exceed in aggregate 10 per cent. of IGHP Group Consolidated EBITDA, as calculated pursuant to paragraphs (i) to (iii) above, for that Measurement Period, such items shall (to the extent of the relevant excess) be excluded.

For the purposes of this definition, IGHP Group Consolidated EBITDA shall be calculated by reference to the amounts shown in the audited consolidated annual financial statements of IGHP for the relevant Measurement Period, as adjusted in the manner described above;

**indebtedness** means, other than in the case of the definitions of “Relevant Indebtedness” in this Condition 4(d) and “Indebtedness for Borrowed Money” in Condition 10(a), any obligation (whether incurred as principal or as surety) for the payment or repayment of money;

**Measurement Period** means:

- (i) for the purposes of the definition of “Principal Subsidiary” and the related determinations, a period of 12 months ending on the last day of a financial half-year or full financial year; and
- (ii) for the purposes of Condition 4(b) and the related determinations, a period of 12 months ending on the last day of a full financial year;

**Principal Subsidiary** means each Subsidiary of ICAP whose EBITDA then equals or exceeds 5 per cent. of Group Consolidated EBITDA. For this purpose:

- (i) subject to paragraph (ii) below:
  - (A) the EBITDA of a Subsidiary of ICAP will be determined from its financial statements which were consolidated into the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited); and
  - (B) Group Consolidated EBITDA will be determined from the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited);
- (ii) if a Subsidiary of ICAP becomes a member of the Group after the date as at which the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) were prepared:
  - (x) the EBITDA of the Subsidiary will be determined from its latest financial statements; and
  - (y) Group Consolidated EBITDA will be determined from the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) but adjusted in the manner contemplated in the definition of Group Consolidated EBITDA to take into account any subsequent acquisition or disposal of a business or a company (including that Subsidiary);
- (iii) the EBITDA of a Subsidiary will, if it has Subsidiaries, be determined on an unconsolidated basis;
- (iv) if a Principal Subsidiary disposes of all or substantially all of its assets to another member of the Group, it will immediately cease to be a Principal Subsidiary and

the other member of the Group (if it is not ICAP or already a Principal Subsidiary) will immediately become a Principal Subsidiary;

- (v) a Subsidiary of ICAP (if it is not already a Principal Subsidiary) will become a Principal Subsidiary on completion of any other intra-Group transfer or reorganisation if it would have been a Principal Subsidiary had the intra-Group transfer or reorganisation occurred as at the date at which the latest consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) were prepared; and
- (vi) except as specifically mentioned in paragraph (iv) above, a member of the Group will remain a Principal Subsidiary until the next consolidated financial statements of ICAP (whether audited or, in the case of interim consolidated financial statements of ICAP, unaudited) show otherwise under paragraph (i) above;

**Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) having a stated maturity of not less than one year and represented by notes, bonds, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended to be, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, but excluding, for the avoidance of doubt, any borrowings arising in the normal course of business as a result of delays arising in the clearing and settlement of commercial brokerage transactions, subject to any such commercial brokerage transaction not having been outstanding for a period exceeding 10 business days from (and including) the original settlement date in respect of such commercial brokerage transaction, and (ii) any guarantee or indemnity of any such indebtedness; and

**Subsidiary** means, in relation to an entity, any company which is for the time being a subsidiary (within the meaning of section 736 of the Companies Act 1985 (as amended or re-enacted from time to time)) of such entity.

**(d) Certifications**

A report by two Directors:

- (i) of ICAP that in their opinion a Subsidiary is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary;
- (ii) of ICAP (or, where the Issuer is ICAP, IGHP) as to the amount of any EBITDA, Group Consolidated EBITDA or IGHP Group Consolidated EBITDA; or
- (iii) of ICAP (or, where the Issuer is ICAP, IGHP) as to the percentage contained in Condition 4(b) above (or as to any other figure required for any other purpose in connection with the Conditions or the Trust Deed (unless expressly otherwise stated)),

may, in any case, be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

**5. Interest**



(a) **Interest on Fixed Rate Notes**

(i) *Interest Payment Dates*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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

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

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest, in accordance with this Condition 5(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
  - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(ii) *Step-up rate of interest*

If this Condition 5(a)(ii) is specified as applicable in the applicable Final Terms, the Rate of Interest will be the Initial Rate of Interest specified in the applicable Final Terms. The Initial Rate of Interest shall be subject to adjustment (each such adjustment, a **Rate Adjustment**) in the event of a Step-up Rating Change (if any) or a subsequent Step-down Rating Change (if any), as the case may be, in accordance with the following provisions. Any Rate Adjustment shall apply in respect of the Fixed Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step-up Rating Change or Step-down Rating Change, as the case may be, until either a further Rate Adjustment becomes effective or the date of redemption, as the case may be.

For any Fixed Interest Period commencing on or after the first Interest Payment Date immediately following the date of a Step-up Rating Change, if any, the Rate of Interest shall be increased by the Step-up Margin specified in the applicable Final Terms.

In the event that a Step-down Rating Change occurs after the date of a Step-up Rating Change (or on the same date but subsequent thereto), then for any Fixed Interest Period commencing on the first Interest Payment Date following the date of such Step-down Rating Change, the Rate of Interest shall be the Initial Rate of Interest.

The Issuer shall use all reasonable efforts to maintain credit ratings for Notes issued, or to be issued, by it from both Rating Agencies (as defined in Condition 7(d)(2)(A)). In the event that either Rating Agency fails to or ceases to assign a rating to Notes issued, or to be issued, by the Issuer, the Issuer shall use all reasonable efforts to obtain a rating of Notes issued, or to be issued, by it from a Substitute Rating Agency (as defined in Condition 7(d)(2)(A)), and references in this Condition 5(a) (ii) to Moody's or Fitch (each as defined in Condition 7(d)(2)(A)), as the case may be, or the ratings thereof, shall be to such Substitute Rating Agency or, as the case may be, the equivalent ratings thereof. In the event that such a rating is not obtained from a Substitute Rating Agency, then, for the purposes of the foregoing adjustments to the Rate of Interest, the ratings assigned by the remaining Rating Agency shall be deemed also to be the ratings assigned by the other Rating Agency.

In the event that both Rating Agencies fail to or cease to assign a rating to Notes issued, or to be issued, by the Issuer and the Issuer fails to obtain a rating of Notes issued, or to be issued, by it from a Substitute Rating Agency, a Step-up Rating Change will be deemed to have occurred on the date of such failure but not otherwise. If a rating of Notes issued, or to be issued, by the Issuer is subsequently assigned by one or more Rating Agencies or a Substitute Rating Agency, then if such rating (or ratings if more than one) is at least *Baa3*, in the case of Moody's, or at least *BBB-*, in the case of Fitch, or the equivalent ratings in the case of a Substitute Rating Agency, a Step-down Rating Change will be deemed to have occurred on the date of such assignment.

The Rate of Interest will only be subject to adjustment due to a Step-up Rating Change or a deemed Step-up Rating Change as provided above upon the first occurrence on or after the Interest Commencement Date of a Step-up Rating Change and may occur only once. An adjustment to the Rate of Interest following the occurrence of a Step-down Rating Change or a deemed Step-down Rating Change as provided above may only occur once and, in any event, only after the occurrence of the Step-up Rating Change.

The Issuer shall cause each Rating Change (if any) and the applicable Rate of Interest to be notified to the Principal Paying Agent, the Trustee, any stock exchange on which the relevant Notes are for the time being listed and the Noteholders (in accordance with Condition 14) as soon as practicable after such Rating Change.

In the Conditions:

**Rating Change** means a Step-up Rating Change and/or a Step-down Rating Change;

**Step-down Rating Change** means, subject as provided above in relation to a deemed Step-down Rating Change, the first public announcement after a Step-up Rating Change by both Rating Agencies of an increase in, or confirmation of, the rating of Notes issued, or to be issued, by the Issuer to at least *Baa3*, in the case of Moody's, and to at least *BBB-*, in the case of Fitch. For the avoidance of doubt, any further increases in the credit rating of Notes issued, or to be issued, by the Issuer above *Baa3*, in the case of Moody's, or above *BBB-*, in the case of Fitch, shall not constitute a Step-down Rating Change; and

**Step-up Rating Change** means, subject as provided above in relation to a deemed Step-up Rating Change, the first public announcement by either or both Rating Agencies of a decrease in the rating of Notes issued, or to be issued, by the Issuer to below *Baa3*, in the case of Moody's, or below *BBB-*, in the case of Fitch. For the avoidance of doubt, any further decrease in the credit rating of Notes issued, or to be issued, by the Issuer

below Baa3, in the case of Moody's, or below BBB-, in the case of Fitch, shall not constitute a Step-up Rating Change.

**(b) Interest on Floating Rate Notes**

*(i) Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an Interest Payment Date) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System (the **TARGET System**) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(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 Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) 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** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

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

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate (being either the London interbank offered rate (**LIBOR**) or the Euro-zone interbank offered rate (**EURIBOR**)) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

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

The Principal Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

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

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

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

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

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

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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



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

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

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

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (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<sub>2</sub> will be 30.

(v) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying 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 (as defined below) were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

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

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor (if applicable), the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed or admitted to trading and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Principal Paying Agent defaults in its obligation to determine the Rate of Interest or in its obligation to calculate any Interest Amount in accordance with subparagraph (ii)(A) or subparagraph (ii)(B) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (iv) above, the Trustee shall determine (or shall appoint, at the expense of the Issuer (failing which, the Guarantor (if applicable)), an expert to determine) the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Principal Paying Agent or the Trustee (or an expert appointed by it), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Principal Paying Agent, the other Agents, the Trustee and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Trustee (or an expert appointed by it) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**(c) Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided for by Clause 2.2 of the Trust Deed.

**6. Payments**

**(a) Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, will be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases, but without prejudice to the provisions of Condition 8, to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

**(b) Presentation of definitive Bearer Notes and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Fixed Rate Notes to which Condition 5(a)(ii) applies or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Fixed Rate Note to which Condition 5(a)(ii) applies, Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

**(c) Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to

definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

**(d) Payments in respect of Registered Notes**

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

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose any day other than (i) Saturdays and Sundays and (ii) 1 January and 25 December) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

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

**(e) General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer and the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or the Guarantor (if applicable) to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor (if applicable).

**(f) Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (i) 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:
  - (A) in the case of Bearer Notes in definitive form only, the relevant place of presentation; and

- (B) any Additional Financial Centre specified in the applicable Final Terms;
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and
- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

**(g) Interpretation of principal and interest**

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

- (i) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

**7. Redemption and purchase**

**(a) Redemption at maturity**

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

**(b) Redemption for tax reasons**

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 the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or, in the case of Notes issued by ICAP, the Guarantor would be unable for any reasons outside its control to procure payment by the Issuer and in making payment itself would be obliged to pay such additional amounts, in each case as a result of any change, or proposed change, in, or amendment, or proposed amendment, to, the laws or regulations of the United Kingdom or any change in the application or official interpretation of such laws or regulations including a holding by a court of competent jurisdiction, whether or not having retrospective effect, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer or, in the case of Notes issued by ICAP, the Guarantor taking reasonable measures available to it,

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

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer or, as the case may be, the Guarantor (in the case of Notes issued by ICAP), shall deliver to the Trustee a certificate signed by two Directors of the Issuer or, as the case may be, two Directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change, or proposed change, or amendment, or proposed amendment, and the Trustee shall be entitled to accept the certificate and the opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**(c) Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Trustee and the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

**(d) Redemption at the option of the Noteholders**

- (1) If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(d)(1) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

The Paying Agent or the Registrar, as the case may be, to which any Note in definitive form held outside Euroclear, Clearstream, Luxembourg and DTC and any Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered.



If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note pursuant to this Condition 7(d)(1) the holder of this Note must, within the notice period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent or, as the case may be, the Registrar by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

- (2) If Change of Control Put is specified in the applicable Final Terms, this Condition 7(d)(2) shall apply.

(A) A **Put Event** will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the United Kingdom's City Code on Takeovers and Mergers in force from time to time) or any person or persons acting on behalf of any such person(s) (the **Relevant Person**) at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued ordinary share capital of ICAP or (B) such number of shares in the capital of ICAP carrying more than 50 per cent. of the total voting rights attached to the issued share capital of ICAP that are normally exercisable on a poll vote at a general meeting of ICAP (such event being a **Change of Control**), provided that a Newco Scheme (as defined in Condition 10) shall not constitute a Change of Control; and
- (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), Notes issued, or to be issued, by ICAP carry from either of Moody's Investors Service Limited (**Moody's**) or Fitch Ratings Ltd. (**Fitch**) or any of their respective successors or any other rating agency (each a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer (each, a **Rating Agency**):
  - (1) an investment grade credit rating (*Baa3/BBB-, or equivalent, or better*), and such rating from any Rating Agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
  - (2) a non-investment grade credit rating (*Ba1/BB+, or equivalent, or worse*), and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (*for illustration, Ba1/BB+ to Ba2/BB being one notch*) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

- (3) no credit rating from any Rating Agency and no Rating Agency assigns, within the Change of Control Period, at least an investment grade credit rating to Notes issued, or to be issued, by ICAP,

provided that if on the Relevant Announcement Date Notes issued, or to be issued, by ICAP carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (1) will apply; and

- (iii) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement. Upon receipt by the Issuer or the Trustee of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 14.

If the rating designations employed by either of Moody's or Fitch are changed from those which are described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or Fitch and this Condition 7(d)(2) shall be read accordingly.

- (B) If a Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at its Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption or purchase.
- (C) Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7(d)(2).
- (D) To exercise the right to require the redemption or purchase of this Note under this Condition 7(d)(2), the holder of this Note, must, if this Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent or, as the case may be, the Registrar (a **Change of Control Put Notice**).

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption or purchase of this Note pursuant to this Condition 7(d)(2) the holder of this Note must, within the Put Period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of

Registered Notes) of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, 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 Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

If this Note is in definitive form, the Change of Control Put Notice must be accompanied by this Note and (in the case of a Bearer Note) all Coupons (if applicable) appertaining thereto maturing after the date which is fifteen days after the expiration of the Put Period (the **Put Date**), failing which the relevant Paying Agent will require payment of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11) at any time after such payment, but before the expiry of the period of five years from the Relevant Date (as defined in Condition 8) in respect of such Coupon, but not thereafter. In the case of Registered Notes, the Change of Control Put Notice shall specify the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b).

The Paying Agent or the Registrar, as the case may be, to which any Note in definitive form held outside Euroclear, Clearstream, Luxembourg and DTC and any Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered.

Payment in respect of any Note so exercised will be made either (i) on the Put Date by transfer to the bank account (if any) specified in the relevant Change of Control Put Notice; or (ii) if no such bank account is so specified, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent (in the case of Bearer Notes) or any Paying Agent or the Registrar (in the case of Registered Notes). A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of the Conditions, pending redemption or purchase of the relevant Notes non-transferable receipts issued pursuant to this Condition 7(d)(2)(C) shall be treated as if they were Notes. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed pursuant to this Condition 7(d)(2), the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem or, at its option, purchase (or procure the purchase of) the remaining Notes as a whole at their Early Redemption Amount referred to in Condition 7(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption or purchase.

(E) In the Conditions:

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which Notes issued, or to be issued, by ICAP are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) 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); and

**Relevant Potential Change of Control Announcement** means any public announcement or statement by ICAP, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

**(e) Early Redemption Amounts**

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

where:

**RP** means the Reference Price; and

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as

the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

**(f) Purchases**

ICAP, IGHP or any other Subsidiary of ICAP may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Notes so purchased may be held, reissued, resold or, at the option of ICAP or IGHP, surrendered to any Paying Agent and/or the Registrar for cancellation.

**(g) Cancellation**

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

**(h) Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

**8. Taxation**

All payments of principal and interest in respect of the Notes and Coupons by the Issuer or, as the case may be, the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the United Kingdom; or

- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f)); or
- (d) where such withholding or deduction is made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union other than the United Kingdom or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities.

As used herein the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## 9. Prescription

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

## 10. Events of Default and Enforcement

### (a) Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (iii) to (viii) inclusive below (other than, in the case of paragraph (v), the winding up or dissolution of the Issuer or the Guarantor), only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest (if any) as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur and be continuing:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 or more days in the case of principal and 14 or more days in the case of interest; or
- (ii) the Issuer or the Guarantor (if applicable) fails to perform or observe its obligation under Condition 4(b);
- (iii) the Issuer or the Guarantor (if applicable) fails to perform or observe any of its other obligations under the Conditions or the Trust Deed (other than those referred to in paragraphs (i) and (ii) above) and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or the Guarantor (if applicable), as the case may be, of notice requiring the same to be remedied; or
- (iv)
  - (A) any Indebtedness for Borrowed Money of the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries is declared due and repayable prematurely by reason of an event of default (however described);
  - (B) the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period;
  - (C) any security given by the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; or
  - (D) default is made by the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, in each case as extended by any applicable grace period,

other than, in each of the scenarios listed in (A) to (D) (inclusive) of this Condition 10(a)(iv), any Indebtedness for Borrowed Money which becomes prematurely due and payable or is placed on demand as a result of an event of illegality (howsoever described) under the document relating to that Indebtedness for Borrowed Money provided that such Indebtedness for Borrowed Money is paid in full within five Business Days of becoming due and payable or a demand for payment being made after such Indebtedness for Borrowed Money is placed on demand) and provided further that the amount of Indebtedness for Borrowed Money referred to in (A) and/or (B) and/or (C) and/or (D) above individually or in the aggregate exceeds £25,000,000 (or its equivalent in any other currency or currencies); or

- (v) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries, save in the case of a Principal Subsidiary only, for the purposes of a solvent reorganisation, reconstruction or amalgamation or, in the case of ICAP only, for the purposes of a Newco Scheme; or
- (vi) the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries ceases to carry on the whole or a substantial part of its business, save, in the case of a Principal Subsidiary only, (i) for the purposes of a solvent reorganisation, reconstruction or amalgamation or (ii) where such cessation arises as a result of a sale of its assets at a fair market value and on an arm's length basis, or the Issuer, the Guarantor (if

applicable) or any of the Principal Subsidiaries stops payment of, or is unable to, or admits inability to, pay, all of its debts (or any class of its debts) as they fall due, or is deemed unable to pay all of its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

- (vii) proceedings are initiated against the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged or stayed within 60 days; or
- (viii) the Issuer, the Guarantor (if applicable) or any of the Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (ix) in the case of Notes issued by ICAP only, the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force in effect, other than pursuant to the provisions of Condition 3(b).

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor (if applicable) as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the Noteholders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor (if applicable) unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## **(b) Definitions**

For the purposes of the Conditions:

**Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit but excluding, in all cases, (i) any indebtedness owed by one member of the Group to another member of the Group and (ii) any borrowings arising in the normal course of business as a result of delays arising in the clearing and settlement of commercial brokerage transactions, subject to any such commercial brokerage transaction not



having been outstanding for a period exceeding 10 business days from (and including) the original settlement date in respect of such commercial brokerage transaction; and

**Newco Scheme** means a scheme of arrangement which effects the interposition of a limited liability company (**Newco**) between the shareholders of ICAP immediately prior to the scheme of arrangement (the **Existing Shareholders**) and ICAP, provided that only ordinary shares of Newco are issued to Existing Shareholders and that immediately after completion of the scheme of arrangement, the only shareholders of Newco are the Existing Shareholders and that all Subsidiaries of ICAP immediately prior to the scheme of arrangement (other than Newco, if Newco is then a Subsidiary of ICAP) are Subsidiaries of ICAP (or of Newco) immediately after the scheme of arrangement.

## **11. Replacement of Notes Coupons and Talons**

Should any Note Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **12. Agents**

The names of the initial Agents and their initial specified offices are set out below. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms.

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

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City;
- (d) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (e) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the United Kingdom.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Notice of any variation, termination,

appointment or change in Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor (if applicable) and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### **13. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

### **14. Notices**

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

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

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

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes).

Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

#### **15. Meetings of Noteholders, Modification, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor (if applicable) or the Trustee or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all and Couponholders.

The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Notes for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution of the Noteholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification, waiver, authorisation or determination and any substitution as referred to below shall be binding on the Noteholders and the Couponholders and (unless the Trustee otherwise agrees) any such modification, waiver, authorisation, determination or substitution shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any

Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor (if applicable), the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of another company subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Trust Deed being complied with. Any substitution of the Issuer in accordance with the provisions of this Condition 15 and the relevant provisions of the Trust Deed shall not constitute an Event of Default.

**16. Indemnification of the Trustee and Trustee Contracting with, *inter alios*, ICAP and IGHP**

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

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

**17. Further Issues**

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

**18. Contracts (Rights of Third Parties) Act 1999**

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

**19. Governing Law**

The Trust Deed, the Agency Agreement, the Notes and the Coupons (and any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, English law.

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# C

## APPENDIX C

### FORM OF THE NOTES

The Notes may be held in bearer or registered form. The following is a summary of certain parts of those provisions which relate to the form of the Notes.

## Form of the Notes

### Introduction

All references to the **Issuer** or the relevant Issuer are to ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**), as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it. The payment of all amounts owing in respect of Notes issued by ICAP will, in certain circumstances, be unconditionally and irrevocably guaranteed by IGHP (in such capacity, IGHP is referred to as the **Guarantor**).

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A.

### Bearer Notes

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

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

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility.

Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest

coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event.

For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to BNY Mellon Corporate Trustee Services Limited (the **Trustee**) is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to that effect signed by two Directors of the relevant Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon not less than 60 days' written 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 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 Bearer Global Note exchangeable for definitive Bearer Notes.

The following legend will appear on all Bearer Notes which have an original maturity of more than 1 year and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

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

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

## **Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Regulation S Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (**QIBs**). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company (**DTC**) for the accounts of Euroclear and Clearstream, Luxembourg or (ii) be deposited with a common depositary or safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Euroclear and Clearstream, Luxembourg will be notified whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility and therefore whether such Registered Global Notes are intended to be held under the New Safekeeping Structure (the **NSS**). Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes. None of the relevant Issuer, IGHP (in its capacity as guarantor of Notes issued by ICAP), any Paying Agent, the Trustee and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the



relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system satisfactory to the Trustee is available or DTC has ceased to constitute a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, (the **Exchange Act**), (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iv) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the relevant Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

### **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Transfer and Selling Restrictions” and “Terms and Conditions of the Notes – Transfer of Registered Notes”.**

### **General**

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

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer, the Principal Paying Agent and the Trustee.

In addition, holders of interests in a Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

### **Crest Depositary Interests**

If so specified in the applicable Final Terms, investors may also hold interests in the Notes through CREST through the issuance of CREST Depositary Interests. See "*Appendix E – Clearing and Settlement*" for more information regarding holding CDIs.

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# D

## APPENDIX D

### FORM OF FINAL TERMS

This appendix sets out the form of Final Terms that the Issuer will publish if it issues any Notes under the Programme. This details the relevant information applicable to the issue adjusted to be relevant only to the Notes issued under the relevant Final Terms.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency):*

### Form of Final Terms

[date]

[ICAP plc/ICAP Group Holdings plc]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £1,000,000,000

Global Medium Term Note Programme

[guaranteed by ICAP Group Holdings plc]<sup>6</sup>

### 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 Base Prospectus dated [date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base 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 Base Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor]<sup>7</sup> and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplements to the Base Prospectus] [is][are] available for viewing at [address] and [website] and copies may be obtained from [address].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] which are incorporated by reference in the Base Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer[, the Guarantor]<sup>8</sup> and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. Copies of such Base Prospectus are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

- |                   |                                    |
|-------------------|------------------------------------|
| 1. [(i)] Issuer:  | [ICAP plc/ICAP Group Holdings plc] |
| [(ii)] Guarantor: | ICAP Group Holdings plc]           |

<sup>6</sup> Applicable only for Notes issued by ICAP plc.

<sup>7</sup> Applicable only for Notes issued by ICAP plc.

<sup>8</sup> Applicable only for Notes issued by ICAP plc.

2. (a) Series Number: [●]  
 (b) Tranche Number: [●]
- (c) Date on which the Notes will be consolidated to form a single Series: The Notes will be consolidated and form a single series with [●] on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [22] below, which is expected to occur on or about [●]/[Not Applicable]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:  
 (a) Series: [●]  
 (b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. (a) Specified Denominations: [●]  
 (b) Calculation Amount: [●]
7. (a) Issue Date: [●]  
 (b) 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]  
 [●] month [[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]  
 [Zero Coupon]  
 (See paragraph [14]/[15]/[16]below)
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11. Change of Interest Basis: [●]/[Not Applicable]
12. Put/Call Options: [Investor Put]  
 [Change of Control Put]  
 [Issuer Call]  
 [(See paragraph [17]/[18]/[19] below)]
13. (a) Status of the Notes: Senior  
 (b) [Status of the Guarantee: Senior]
- (c) Date [Board] approval for issuance of [●] Notes [and Guarantee] obtained:

## Provisions Relating to Interest (If Any) Payable

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]  
[Condition 5(a)(ii) applicable.  
The Initial Rate of Interest is [●] per annum [payable [annually/semi-annually/quarterly] in arrear.  
The Step-up Margin is [●].]
- (b) Interest Payment Date(s): [[●] in each year up to and including the Maturity Date]
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount
- (d) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling in/on [●]/[Not Applicable].
- (e) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]
- (f) [Determination Date(s): [●] in each year]/[Not Applicable]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [●]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (c) Additional Business Centre(s): [Not Applicable/[●]]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●]
- (f) Screen Rate Determination:
- Reference Rate: [[●] month LIBOR/EURIBOR]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
- (g) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]

• Reset Date:	[●]
(h) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(i) Margin(s):	[+/-] [●] per cent. per annum
(j) Minimum Rate of Interest:	[●] per cent. per annum
(k) Maximum Rate of Interest:	[●] per cent. per annum
(l) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Euro Bond Basis] [30E/360 (ISDA)]
16. Zero Coupon Note Provisions	[Applicable/Not Applicable]
(a) Accrual Yield:	[●] per cent. per annum
(b) Reference Price:	[●]
(c) Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
<b>Provisions Relating to Redemption</b>	
17. Issuer Call:	[Applicable/Not Applicable]
(a) Optional Redemption Date(s):	[●]
(b) Optional Redemption Amount and:	[●] per Calculation Amount
(c) If redeemable in part:	
(i) Minimum Redemption Amount:	[●]
(ii) Maximum Redemption Amount:	[●]
(d) Notice periods:	Minimum period: [30/[●]] days Maximum period: [60/[●]] days
18. Investor Put:	[Applicable/Not Applicable]
(a) Optional Redemption Date(s):	[●]
(b) Optional Redemption Amount:	[●] per Calculation Amount
(c) Notice periods:	Minimum period: [30/[●]] days Maximum period: [60/[●]] days

19. Change of Control Put: [Applicable/Not Applicable]

20. Final Redemption Amount: [●] per Calculation Amount

21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount

**General Provisions Applicable to the Notes**

22. Form of Notes:

(a) Form:

[Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon the occurrence of an Exchange Event]]

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]

[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Registered Notes:

[Regulation S Global Note ([U.S.\$][●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg /a common safekeeper for Euroclear and Clearstream, Luxembourg]]

[Rule 144A Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]

[“CREST Depositary Interests (CDIs) representing the Notes may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited (CREST)”]

(b) [New Global Note:

[Yes][No]]

23. Additional Financial Centre(s):

[Not Applicable/[●]]

24. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[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 [●]. The Issuer [confirms/and the Guarantor confirm]<sup>9</sup> 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 information inaccurate or misleading.]

Signed on behalf of [ICAP plc/ICAP Group Holdings plc]<sup>10</sup> [Signed on behalf of ICAP Group Holdings plc]<sup>11</sup>:

By: .....

*Duly authorised*

By: .....

*Duly authorised]*

---

<sup>9</sup> Applicable only for Notes issued by ICAP plc

<sup>10</sup> Delete as applicable

<sup>11</sup> Applicable only for Notes issued by ICAP plc

## Part B – OTHER INFORMATION

### 1. Listing and Admission to Trading

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to listing on the Official List of the UK Listing Authority] with effect from [●].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to listing on the Official List of the UK Listing Authority with effect from [●].]

[Application has been made by the Issuer (or on its behalf) to ISDX for the Notes to be admitted to trading on ISDX's Main Board and to listing on the Official List of the UK Listing Authority with effect from [●].]

[Application is expected to be made by the Issuer (or on its behalf) to ISDX for the Notes to be admitted to trading on ISDX's Main Board and to listing on the Official List of the UK Listing Authority with effect from [●].]

### 2. Ratings

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated:

[[●] by Moody's Investors Service Ltd.]

[[●] by Fitch Ratings Ltd.]]

[The Notes to be issued have not been specifically rated]

### 3. Interests of Natural and Legal Persons Involved in the Issue

[Save for any fees payable to [[●] as Manager[s] of the issue (the **Manager[s]**)], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. [The Manager[s] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.

### 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: [●]

## 6. Historic Interest Rates

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

## 7. Operational Information

- (i). ISIN Code: [●]
- (ii). Common Code: [●]
- (iii). CUSIP: [●]
- (iv). CINS: [●]
- (v). Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme/The Depository Trust Company and the relevant identification number(s): [Not Applicable/[●]]  
[The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes]
- (vi). Delivery: Delivery [against/free of] payment
- (vii). Names and addresses of additional Paying Agent(s) (if any): [●]

## 8. Distribution

- (i). If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/[●]]
- (ii). Date of Subscription Agreement: [●]
- (iii). If non-syndicated, name and address of relevant Dealer: [Not Applicable/[●]]
- (iv). Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
- (v). U.S. Selling Restrictions: [Reg. S Compliance Category [1/2/3] TEFRA D/TEFRA C/TEFRA not applicable]
- (vi). Public Offer where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus [Not Applicable] [An offer of the Notes may be made by the Managers [and [●] with registered address at [●]] (the **Initial Authorised Offerors**) [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Base Prospectus in connection with the Public Offer and who are identified on the Issuer's website at [www.icap.com/investor-relations/debt-holder-information/global-medium-term-note-programme.aspx as an Authorised Offeror] (together [with any financial

intermediaries granted General Consent], being persons to whom the issuer has given consent, the **Authorised Offerors**) other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom (the **Public Offer Jurisdiction**) during the period from [●] until [●] (the **Offer Period**) . See further Paragraph [9] below.

- |                                      |                               |
|--------------------------------------|-------------------------------|
| (vii). General Consent:              | [Not Applicable] [Applicable] |
| (viii). Other conditions to consent: | [Not Applicable][●]           |

## 9. Terms and Conditions of the Offer

- |  |                                  |
|--|----------------------------------|
| (i). Offer Price:  | [Issue Price/Not applicable/[●]] |
| (ii). Conditions to which the offer is subject:  | [Not applicable/[●]]             |
| (iii). Description of the application process:   | [Not applicable/[●]]             |
| (iv). Details of the minimum and/or maximum amount of application:   | [Not applicable/[●]]             |
| (v). Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:                                   | [Not applicable/[●]]             |
| (vi). Details of the method and time limits for paying up and delivering the Notes:  | [Not applicable/[●]]             |
| (vii). Manner in and date on which results of the offer are to be made public:   | [Not applicable/[●]]             |
| (viii). Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not applicable/[●]]             |
| (ix). Whether tranche(s) have been reserved for certain countries:   | [Not applicable/[●]]             |
| (x). Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:         | [Not applicable/[●]]             |
| (xi). Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  | [Not applicable/[●]]             |
| (xii). Name(s) and address(es), to the extent known to the Issuer, of the placers in the United Kingdom.   | [●]                              |

## **Annex to Final Terms**

### **Summary of the Notes**

[●]

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency):

### Form of Final Terms

[date]

[ICAP plc/ICAP Group Holdings plc]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the £1,000,000,000

Global Medium Term Note Programme

[guaranteed by ICAP Group Holdings plc]\*

### 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 Base Prospectus dated [date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base 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 Base Prospectus [as so supplemented]. Full information on the Issuer[, the Guarantor]<sup>12</sup> and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the supplements to the Base Prospectus] [is][are] available for viewing at [address] and [website] and copies may be obtained from [address].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] which are incorporated by reference in the Base Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer[, the Guarantor]<sup>13</sup> and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of such Base Prospectus are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

- |  |   |
|--|---|
| 1. [(i)] Issuer:   | [ICAP plc/ICAP Group Holdings plc]  |
| [(ii)] Guarantor:  | ICAP Group Holdings plc]  |
| 2. (a) Series Number:  | [●]   |
| (b) Tranche Number:  | [●]   |
| (c) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single series with [●] on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [22] below, which is expected to occur on or about [●]/Not Applicable] |

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<sup>12</sup> Applicable only for Notes issued by ICAP plc.

<sup>13</sup> Applicable only for Notes issued by ICAP plc.

3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:  
 (a) Series: [●]  
 (b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount  
 [plus accrued interest from [●]]
6. (a) Specified Denominations: [●]  
 (b) Calculation Amount: [●]
7. (a) Issue Date: [●]  
 (b) 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]  
 [[●] month [LIBOR/EURIBOR] +/- [●] per cent.  
 Floating Rate]  
 [Zero Coupon]  
 (see paragraph [14]/[15]/[16] below)
10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early  
 redemption, the Notes will be redeemed on the  
 Maturity Date at 100 per cent. of their nominal  
 amount]
11. Change of Interest Basis: [[●]/[Not Applicable]]
12. Put/Call Options: [Investor Put]  
 [Change of Control Put]  
 [Issuer Call]  
 [(see paragraph [17]/[18]/[19] below)]
13. (a) Status of the Notes: Senior  
 (b) [Status of the Guarantee: Senior]  
 (c) Date [Board] approval for issuance of [●]  
 Notes [and Guarantee] obtained:
- Provisions Relating to Interest (If Any) Payable**
14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-  
 annually/quarterly] in arrear]  
 [Condition 5(a)(ii) applicable.  
 The Initial Rate of Interest is [●] per annum  
 payable  
 [annually/semi-annually/quarterly] in arrear.  
 The Step-up Margin is [●].]
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity  
 Date]
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount
- (d) Broken Amount(s): [●] per Calculation Amount payable on the  
 Interest Payment Date falling in/on [●]/[Not  
 Applicable]

(e) Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]
(f) [Determination Date(s):	[●] in each year/[Not Applicable]]
15. Floating Rate Note Provisions	[Applicable/Not Applicable]
(a) Specified Period(s)/Specified Interest Payment Dates:	[●]
(b) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(c) Additional Business Centre(s):	[Not Applicable/[●]]
(d) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[●]
(f) Screen Rate Determination:	
• Reference Rate:	[[●] month LIBOR/EURIBOR]
• Interest Determination Date(s):	[●]
• Relevant Screen Page:	[●]
(g) ISDA Determination:	
• Floating Rate Option:	[●]
• Designated Maturity:	[●]
• Reset Date:	[●]
(h) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
(i) Margin(s):	[+/-] [●] per cent. per annum
(j) Minimum Rate of Interest:	[●] per cent. per annum
(k) Maximum Rate of Interest:	[●] per cent. per annum
(l) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Euro Bond Basis] [30E/360 (ISDA)]
16. Zero Coupon Note Provisions	[Applicable/Not Applicable]
(a) Accrual Yield:	[●] per cent. per annum
(b) Reference Price:	[●]
(c) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365]
• <b>Provisions Relating to Redemption</b>	
17. Issuer Call:	[Applicable/Not Applicable]



- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount: [●] per Calculation Amount
- (c) If redeemable in part:
- (i). Minimum Redemption Amount: [●]
- (ii). Maximum Redemption Amount: [●]
- (d) Notice periods: Minimum period: [30/[●]] days  
Maximum period: [60/[●]] days
18. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (c) Notice periods: Minimum period: [30/[●]] days  
Maximum period: [60/[●]] days
19. Change of Control Put: [Applicable/Not Applicable]
20. Final Redemption Amount: [●] per Calculation Amount
21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount
- General Provisions Applicable to the Notes**
22. Form of Notes:
- (a) Form: [Bearer Notes:  
[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon the occurrence of an Exchange Event]  
[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]  
[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]  
[Registered Notes:  
[Regulation S Global Note ([U.S.\$][●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg /a common safekeeper for Euroclear and Clearstream, Luxembourg]]  
[Rule 144A Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]]
- (b) New Global Note: [Yes][No]
23. Additional Financial Centre(s): [Not Applicable/[●]]
24. Talons for future Coupons to be attached to [Yes, as the Notes have more than 27 coupon

Definitive Notes (and dates on which such payments, Talons may be required if, on Talons mature): exchange into definitive form, more than 27 coupon payments are still to be made/No]

### THIRD PARTY INFORMATION

[[●] has been extracted from [●]. The Issuer [confirms/and the Guarantor confirm]<sup>14</sup> 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 information inaccurate or misleading.]

Signed on behalf of [ICAP plc/ICAP Group Holdings plc]<sup>15</sup> [Signed on behalf of ICAP Group Holdings plc]<sup>16</sup>:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised]*

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<sup>14</sup> Applicable only for Notes issued by ICAP plc

<sup>15</sup> Delete as applicable

<sup>16</sup> Applicable only for Notes issued by ICAP plc

## Part B – OTHER INFORMATION

### 1. Listing and Admission to Trading

- (i) Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to listing on the Official List of the UK Listing Authority] with effect from [●].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to listing on the Official List of the UK Listing Authority with effect from [●].]

[Application has been made by the Issuer (or on its behalf) to ISDX for the Notes to be admitted to trading on ISDX's Main Board and to listing on the Official List of the UK Listing Authority with effect from [●].]

[Application is expected to be made by the Issuer (or on its behalf) to ISDX for the Notes to be admitted to trading on ISDX's Main Board and to listing on the Official List of the UK Listing Authority with effect from [●].]

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

### 2. Ratings

- (i) Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated:

[[●] by Moody's Investors Service Ltd.]

[[●] by Fitch Ratings Ltd.]]

[The Notes to be issued have not been specifically rated]

### 3. Interests of Natural and Legal Persons Involved in the Issue

- (i) [Save for any fees payable to [[●] as Manager[s] of the issue (the **Manager[s]**)], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. [The Manager[s] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]

### 4. [Yield

Indication of yield:

[●]]

### 5. Operational Information

- (i) ISIN Code:

[●]

- (ii) Common Code:

[●]

- (iii) CUSIP: ☐
- (iv) CINS: ☐
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme/The Depository Trust Company 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): ☐

## 6. Distribution

U.S. Selling Restrictions: ☐ [Regulation S Category 2/Rule 144A/TEFRA D/TEFRA C/TEFRA not applicable]

## **Annex to Final Terms**

### **Summary of the Notes**

[●]

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# **E**

## **APPENDIX E**

### **BOOK-ENTRY CLEARANCE SYSTEMS**

The following is a summary of clearing and settlement when interests in the Notes are held through Book-Entry Clearance Systems.

## Book-Entry Clearance Systems

### Introduction

All references to the relevant **Issuer** are to ICAP plc (**ICAP**) or ICAP Group Holdings plc (**IGHP**), as the case may be, who are the principal debtors in relation to the Programme and issuers of the Notes under it and references to **Issuers** or **Obligors** shall mean both of them.

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Depository Trust Company (**DTC**), Euroclear, Clearstream, Luxembourg or CREST (together, the **Clearing Systems**) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Obligors, the Dealers, BNY Mellon Corporate Trustee Services Limited (the **Trustee**) and any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes or, in the case of CREST only, CDIs held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Clearing Systems (other than CREST)

#### DTC

DTC has advised the Obligors that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction,

as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the relevant Issuer (or the Guarantor in the case of Notes issued by ICAP), subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer (and the Guarantor in the case of Notes issued by ICAP), disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

*Euroclear and Clearstream, Luxembourg*



Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Book-entry Ownership of and Payments in respect of DTC Notes**

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Obligors expect DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Obligors also expect that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar, the relevant Issuer, the Guarantor (if applicable) or the Trustee. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer and the Guarantor (if applicable).

### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. The laws in some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to

transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “*Subscription and Sale and Transfer and Selling Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Guarantor (if applicable), the Trustee, the Principal Paying Agent, the Registrar, any other party to this Agency Agreement and any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

### **CREST Depository Interests**

If so specified in the applicable Final Terms, following the delivery of an issue of Notes into Euroclear and/or Clearstream, Luxembourg (the **Relevant Clearing Systems** and each a **Relevant Clearing System**), investors may also hold interests in the Notes through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (**CREST**) through the issuance of dematerialised depository interests (**CREST Depository Interests** or **CDIs**) issued, held, settled and transferred through CREST, representing interests in the relevant Notes underlying the CDIs (the **Underlying Notes**). CREST Depository Interests are independent securities distinct from the Notes, constituted under, and governed

by, English law and transferred through CREST and will be issued by CREST Depository Limited (the **CREST Depository**) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the **CREST Deed Poll**).

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the **CREST Nominee**) in the Underlying Notes. Pursuant to the CREST Manual (as defined below), Notes held in global form by the common depositary or common safekeeper may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities distinct from the Notes, constituted under English law, and may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee's account with a Relevant Clearing System and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs (**CDI Holders**) any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holders. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Notes and other relevant notices issued by the relevant Issuer.

Transfers of interests in Underlying Notes by a CREST participant to a participant of a Relevant Clearing System will be effected by cancellation of the corresponding CDIs and transfer of an interest in such Underlying Notes to the account of the relevant participant with a Relevant Clearing System.

The CDIs will have the same ISIN as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Section 3 (Crest International Manual) of the CREST Manual issued by Euroclear UK & Ireland (including the CREST International Manual dated 14 April 2008) as amended, modified, varied or supplemented from time to time (the **CREST Manual**) which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, the Relevant Clearing Systems and the relevant Issuer including the CREST Deed Poll (in the form contained in Section 3 of the CREST Manual) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the **CREST International Settlement Links Service**). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (a) CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.
- (b) The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a Relevant Clearing System. Rights in the Underlying Notes will be held through custodial and depositary links through the appropriate Relevant Clearing Systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the Relevant Clearing System in or through which the Underlying Notes are held.

- (c) Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in Relevant Clearing Systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.
- (d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST Manual and the CREST Rules (the **CREST Rules**) (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (e) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
- (f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from the CREST website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI).
- (g) Potential investors should note that CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.
- (h) Potential investors should note that none of the Obligors, the relevant Dealer, the Trustee and the Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Potential investors should note that Bearer Notes represented upon issue by a Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note will not be immediately eligible for CREST settlement as CDIs. In such case, investors investing in the Underlying Notes through CDIs will only receive the CDIs after such Temporary Bearer Global Note is exchanged for a Permanent Bearer Global Note, which could take up to 40 days after the issue of the Notes. It is anticipated that Notes eligible for CREST settlement as CDIs will be issued (i) (in the case of Bearer Notes) directly in permanent global form or (ii) in registered global form.

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