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For immediate release

9 June 2020

**LANCASHIRE HOLDINGS LIMITED**  
**Proposed Placing of New Common Shares**

Lancashire Holdings Limited (“**Lancashire**” or the “**Company**”) announces its intention to issue new equity, in order to take advantage of (re)insurance opportunities related to the increase in rates in the markets in which the Company’s underwriting platforms operate, through a non-pre-emptive placing (the “**Placing**”) of up to approximately 39.6 million new Common Shares (with a par value of US\$0.50 per share in the capital of the Company) (the “**Placing Shares**”).

The Placing Shares will not exceed 19.5% of the Company’s existing issued share capital, which, based on the price of 726 pence per common share as at 4.00 p.m. on 9 June 2020, would raise gross proceeds of approximately £287 million (approximately US\$365 million).

The Placing will be conducted through an accelerated bookbuilding process (the “**Bookbuild**”) which will be launched immediately following this announcement. The Placing is subject to the terms and conditions set out in Appendix 1 to this announcement (which form part of this announcement, such announcement and its Appendices together being this “**Announcement**”).

**Background to and Reasons for the Placing**

Lancashire intends to use the proceeds of the Placing to fund organic growth and take advantage of rate rises that the Company is currently seeing across the majority of its business lines. Lancashire expects these growth opportunities to be strongly aligned to Lancashire’s core areas of underwriting expertise and relationships.

Lancashire’s long-term strategy is to deploy more capital into a “hardening” market, in which pricing strengthens due to market capital constraints, and to lower the amount of capital it deploys in “softer” markets, where pricing is weaker due to an over-supply of risk capital. Lancashire matches its capital to the market opportunity, and has historically returned capital

to investors when it has not been required to support attractive underwriting opportunities. This strategy has generated attractive returns across the economic cycle, having delivered an average RoE of 17.2% and an average combined ratio of 70.7% since the Group's inception.

### ***Improving (Re)insurance Pricing Environment***

Prior to 2017, there had been protracted “softer” pricing conditions within the international (re)insurance markets due to relatively lower levels of catastrophe losses and strong capital supply. Since then, the market has faced three challenging years featuring a large number of catastrophe losses, following which the rating environment started to improve. At the beginning of 2020, the Group took the decision to retain most of its 2019 profits, by not paying a special dividend, in anticipation of continued improving market conditions, which were evidenced during the first quarter of this year. As the Company announced in its first quarter trading update, published on 30 April 2020, first quarter gross premiums written increased by 11.8% year on year to \$242.8 million with a Renewal Price Index (“RPI”) of 108%.

Most significantly, the recent COVID-19 pandemic has generated (re)insurance market losses both in terms of the claims environment and the negative impact on the investment markets. In the face of these challenges there has been a retrenchment in (re)insurance market risk capital and capacity. This in turn has led recently to continued rate increases in many of the Group's core insurance segments and accelerated rating dislocation in the catastrophe exposed reinsurance lines. For example, the Company has seen, to date, rate rises of 20%-30% for 1 June renewals in the Florida property catastrophe portfolio. Lancashire expects the momentum of rising rates to continue in this and other classes of business across its portfolio during the rest of this year and throughout 2021.

Whilst Lancashire remains strongly capitalised and has sufficient capital headroom to take some advantage of the current rate momentum, the rapid increase in rates and dislocation in reinsurance and retrocession markets that are currently being witnessed imply a return to a traditional “hard” market over the next six to 12 months. The Placing and resultant increase in capital will allow Lancashire to take full advantage of this market opportunity, if it develops in the way Lancashire considers likely.

### ***Active Capital Management***

Lancashire remains committed to a disciplined underwriting strategy and an active capital management approach in line with its long-term strategy. To date, the Company has returned in excess of \$2.8 billion of capital to shareholders since inception, which amounts to 108.1% of comprehensive income. The compound annual return since inception has been 17.2%.

The Lancashire Board of Directors (the “**Board**”) believes that raising capital to respond rapidly and in size to take advantage of the current market opportunity offers the potential for superior returns compared to those seen in more recent years. The net proceeds of the Placing will therefore be deployed to enable Lancashire to take advantage of market opportunities in a number of areas, including natural catastrophe business where expected rate increases are likely to be more pronounced in the US, and new lines of business which Lancashire believes will now generate strong returns.

The Board also believes that there are opportunities to broaden the Group's existing customer relationships and to attract new business. The Group anticipates being able to offer larger,

better priced participations to existing clients and to develop new client relationships in what is likely to be a more dislocated market environment.

Lancashire's efficient operating model with platforms based in Bermuda and the UK, including Lloyd's, and access to third party capital via its Lancashire Capital Management platform, positions the Group advantageously to capture these market opportunities.

### **Update on Current Trading**

Following the publication of its trading update for the first quarter of 2020 on 30 April 2020, Lancashire has continued to trade in line with, or better than, its expectations, noting the marked improvement in pricing as the second quarter progresses.

The COVID-19 pandemic is still an ongoing situation, making it exceptionally difficult to predict what the ultimate impact for the Group will be. As previously announced, Lancashire's provisional loss estimate for COVID-19 is \$35 million, net of reinsurance and reinstatement provision, based on claims notified and expected to be notified. Lancashire has not seen any trends in claims activity since 30 April 2020 that would indicate any material change to this estimate at this time. As noted in the Company's recent trading statement, Lancashire does not write the following lines of business: travel insurance; trade credit; accident and health; Directors' and Officers' liability; medical malpractice; and long-term life. Lancashire has minimal exposure to mortgage business and is exposed to a small number of event cancellation contracts.

Since 31 March 2020, the unrealised investment losses in Lancashire's investment portfolio have reversed and its total net investment return for the 2020 year to 29 May 2020 was 0.5%.

Lancashire's final ordinary dividend for 2019 of \$0.10 per Common Share, or \$20.1 million, was approved by shareholders at its AGM on 29 April 2020 and was paid on 5 June 2020 to shareholders of record on 11 May 2020. Lancashire's dividend policy takes into account both ordinary and special dividends, with annual ordinary interim and final dividends intentionally being low so that they can be paid in the majority of circumstances. Absent extraordinary circumstances, the Board currently expects to approve the annual ordinary interim dividend of \$0.05 per Common Share at its planned July 2020 Board meeting.

### **Details of the Placing**

The Company is seeking to issue Placing Shares representing, in aggregate, up to 19.5% of its existing issued share capital on a non-pre-emptive basis pursuant to the Placing. Therefore, the Board and senior management have consulted with the Company's major shareholders ahead of the release of this Announcement. The Placing structure has been chosen as it minimises cost, time to completion and use of management time at an important and unprecedented time in the (re)insurance industry and the wider global economy.

The Board considers that the Placing is in the best interests of all the shareholders in the Company, as well as wider stakeholders in the Company. This conclusion has been endorsed by that consultation. A presentation has been made available on the Company's website which contains further information relevant to the Placing.

Morgan Stanley & Co. International plc ("**Morgan Stanley**") is acting as Sole Global co-ordinator in connection with the Placing (the "**Sole Global Co-ordinator**") and Morgan

Stanley and Citigroup Global Markets Limited (“**Citigroup**”) are each acting as joint bookrunners in connection with the Placing (Morgan Stanley and Citigroup together, the “**Joint Bookrunners**”). Morgan Stanley and Citigroup are also the Company’s Corporate Brokers.

The Company and the Joint Bookrunners have entered into a placing agreement dated 9 June 2020 in connection with the Placing (the “**Placing Agreement**”).

The Joint Bookrunners will commence the Bookbuild immediately following the release of this Announcement in respect of the Placing. The price at which the Placing Shares are to be placed (the “**Placing Price**”) will be determined at the close of the Bookbuild.

The book will open with immediate effect following this Announcement. The timing of the closing of the book, pricing and allocations are at the absolute discretion of the Company and the Sole Global Co-ordinator. Details of the Placing Price and the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuild.

The Placing Shares, when issued, will be fully paid and will rank pari passu in all respects with each other and with the existing Common Shares of the Company, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Applications will be made (i) to the Financial Conduct Authority (the “**FCA**”) for admission of the Placing Shares to the premium listing segment of the Official List of the FCA (the “**Official List**”); and (ii) to London Stock Exchange plc (the “**London Stock Exchange**”) for admission of the Placing Shares to trading on its Main Market for listed securities (together, “**Admission**”).

Settlement for the Placing Shares and Admission is expected to take place on or before 8.00 a.m. (London time) on 12 June 2020 (or such later date as may be agreed between the Company and the Sole Global Co-ordinator). The Placing is conditional upon, among other things, Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms prior to Admission. Appendix 1 to this Announcement sets out further information relating to the terms and conditions of the Placing.

### **Market Abuse Regulation (MAR) Disclosure**

This Announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 (“**MAR**”). Upon the publication of this Announcement, the inside information will be considered to be in the public domain for the purposes of MAR.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this Announcement is being made on behalf of the Company by Christopher Head, Group Company Secretary.

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This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the “Important Notices” section of this Announcement.

***Important Notices***

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by any of their respective Affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Members of the public are not eligible to take part in the Placing. This Announcement and the terms and conditions set out herein are for information purposes only and are directed at and may only be communicated to (a) in the European Economic Area (“**EEA**”), persons who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (“**Qualified Investors**”); and (b) in the United Kingdom, Qualified Investors who are also (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**Relevant Persons**”).

Any investment or investment activity to which this Announcement relates is only available to, and will be engaged in only with, Relevant Persons. Persons distributing this Announcement must satisfy themselves that it is lawful to do so. This Announcement is for information purposes only and shall not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe for or otherwise acquire securities in any jurisdiction in which any such offer or solicitation would be unlawful. Any failure to comply with this restriction may constitute a violation of the securities laws of such jurisdictions. Persons needing advice should consult an independent financial adviser.

The distribution of this Announcement and the offering, placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, any of the Joint Bookrunners or any of their respective Affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and each of the Joint Bookrunners to inform themselves about and to observe any such restrictions.

THIS ANNOUNCEMENT, AND THE INFORMATION CONTAINED HEREIN, IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA, THE DISTRICT OF COLUMBIA AND ALL OTHER AREAS SUBJECT TO ITS JURISDICTION AND ANY POLITICAL SUB-DIVISION THEREOF (COLLECTIVELY, THE “**UNITED STATES**”), AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL. FURTHER, THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS NOT AN OFFER OF SECURITIES IN ANY JURISDICTION. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

Neither this Announcement nor any part of it constitutes or forms part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States, Canada, Australia, the Republic of South Africa, Japan or any other jurisdiction in which the same would be unlawful. No public offering of the securities referred to herein is being made in any such jurisdiction.

This communication is not a public offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act 1933, as amended (the “**Securities Act**”) or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold directly or indirectly in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or any other jurisdiction of the United States. The securities referred to herein may not be offered and sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Announcement and the terms and conditions set out herein are for information purposes only and are directed at and may only be communicated to persons in Canada who are both

“accredited investors” within the meaning of National Instrument 45-106 – *Prospectus Exemptions* (or section 73.3(1) of the *Securities Act* (Ontario), as applicable) and “permitted clients” within the meaning of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any ‘manufacturer’ (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities referred to herein have been subject to a product approval process, which has determined that such securities referred to herein are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the securities referred to herein may decline and investors could lose all or part of their investment; the securities referred to herein offer no guaranteed income and no capital protection; and an investment in the securities referred to herein is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, each of the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the securities referred to herein. Each distributor is responsible for undertaking its own target market assessment in respect of the securities referred to herein and determining appropriate distribution channels.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (each a “**Placee**”) by making an oral and legally binding offer to acquire Placing Shares will be deemed (i) to have read and understood this Announcement in its entirety, (ii) to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained in Appendix 1 to this Announcement, and (iii) to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in Appendix 1 to this Announcement.

Certain statements contained in this Announcement constitute “forward-looking statements” with respect to the financial condition, performance, strategic initiatives, objectives, results of operations and business of the Company and its consolidated subsidiaries and subsidiary undertakings (the “**Group**”). All statements other than statements of historical facts included in this Announcement are, or may be deemed to be, forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “believes”,

“anticipates”, “plans”, “projects”, “forecasts”, “guidance”, “intends”, “expects”, “estimates”, “predicts”, “may”, “can”, “likely”, “will”, “seeks”, “should”, or, in each case, their negative or comparable terminology and similar statements are of a future or forward-looking nature. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. For a description of some of these factors, see the Company’s annual report and accounts for the year ended 31 December 2019 (the “**Annual Report and Accounts**”). In addition to those factors contained in the Annual Report and Accounts, any forward-looking statements contained in this Announcement may be affected by the impact of the COVID-19 pandemic on the Group’s clients, the securities in its investment portfolio and on global financial markets generally, as well as any governmental or regulatory changes or judicial interpretations, including policy coverage issues arising therefrom.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Announcement may not occur. The forward-looking statements contained in this Announcement speak only as of the date of this Announcement. The Company, its directors and the Joint Bookrunners each expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation, the UK Listing Rules (the “**Listing Rules**”), MAR, the Disclosure Guidance and Transparency Rules (the “**DTRs**”), the rules of the London Stock Exchange or the FCA.

Any indication in this Announcement of the price at which Common Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Company, as appropriate, for the current or future years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Company.

Any estimates relating to loss events (including, without limitation, the estimates contained in this Announcement in relation to COVID-19) involve the exercise of considerable judgement and reflect a combination of ground-up evaluations, information available to date from brokers and insureds, market intelligence, initial and/or tentative loss reports and other sources. Judgements in relation to loss arising from natural catastrophe and man-made events are influenced by complex factors. The Group cautions as to the preliminary nature of the information used to prepare such estimates as subsequently available information may contribute to an increase in these types of losses.

The Group’s reserves are estimated using actuarial and statistical projections based on the Group’s expectations at the time of the ultimate settlement and administration of claims based on facts and circumstances then known, predictions of future events, estimates of future trends in claims severity and other variable factors such as inflation and new concepts of liability. As additional information is developed, it is necessary to revise estimated potential claims and therefore the Group’s reserves. The inherent uncertainties of estimating claim reserves are exacerbated in respect of reinsurance by the significant periods of time that

often elapse between the occurrence of an insured loss, the reporting of the loss to the primary insurer and, ultimately, to the reinsurer, and the primary insurer's payment of that loss and subsequent indemnification by the reinsurer.

The RPI is an internal methodology that management uses to track trends in premium rates of a portfolio of insurance and reinsurance contracts. The RPI written in the respective segments is calculated on a per contract basis and reflects management's assessment of relative changes in price, terms, conditions and limits and is weighted by premium volume. The calculation involves a degree of judgement in relation to comparability of contracts and the assessment noted above. To enhance the RPI methodology, management may revise the methodology and assumptions underlying the RPI, so the trends in premium rates reflected in the RPI may not be comparable over time. Consideration is only given to renewals of a comparable nature so it does not reflect every contract in the portfolio of contracts. The future profitability of the portfolio of contracts within the RPI is dependent upon many factors besides the trends in premium rates.

Each of the Joint Bookrunners are authorised by the Prudential Regulatory Authority (the "PRA") and regulated in the United Kingdom by the PRA and the FCA. Each of the Joint Bookrunners are acting exclusively for the Company and no one else in connection with the Placing, the content of this Announcement and other matters described in this Announcement. None of the Joint Bookrunners will regard any other person as its client in relation to the Placing, the content of this Announcement and other matters described in this Announcement and will be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice to any other person in relation to the Placing, the content of this Announcement or any other matters referred to in this Announcement.

In connection with the Placing, each of the Joint Bookrunners and any of their respective Affiliates, acting as investors for their own account, may take up a portion of the Placing Shares in the Placing as a principal position and in that capacity may retain, purchase, sell, offer to purchase or sell for their own accounts such Placing Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by, each of the Joint Bookrunners and any of their respective Affiliates acting in such capacity. In addition, each of the Joint Bookrunners and any of their respective Affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which each of the Joint Bookrunners and any of their respective Affiliates may from time to time acquire, hold or dispose of shares. Neither of the Joint Bookrunners intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Each of the Joint Bookrunners and their respective Affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their respective businesses to, the Company and/or its Affiliates for which they would have received customary fees and commissions. Each of the Joint Bookrunners and their respective Affiliates may provide such services to the Company and/or its Affiliates in the future.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is

incorporated into or forms part of this Announcement. Following Admission, a secondary listing of the Placing Shares will be sought on the Bermuda Stock Exchange. The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange and the Bermuda Stock Exchange.

## Appendix 1

### *Terms and Conditions of the Placing for invited Placees only*

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) AND THE TERMS AND CONDITIONS SET OUT HEREIN (THIS “**ANNOUNCEMENT**”) IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (A) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (THE “**EEA**”), PERSONS WHO ARE QUALIFIED INVESTORS (“**QUALIFIED INVESTORS**”), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(E) OF PROSPECTUS REGULATION (EU) 2017/1129 (THE “**PROSPECTUS REGULATION**”); OR (B) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE (I) PERSONS WHO FALL WITHIN THE DEFINITION OF “**INVESTMENT PROFESSIONAL**” IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “**ORDER**”), OR (II) PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) (“**HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC**”) OF THE ORDER; OR (C) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS REFERRED TO IN (A), (B) AND (C) ABOVE TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”).

THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

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

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR UNDER THE SECURITIES LAWS OF, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF, ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN, INTO OR WITHIN THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO PUBLIC OFFERING OF THE SHARES REFERRED TO IN THIS ANNOUNCEMENT IS BEING MADE IN THE

UNITED KINGDOM, THE UNITED STATES OR ANY OTHER RESTRICTED TERRITORY OR ELSEWHERE.

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED AT AND MAY ONLY BE COMMUNICATED TO PERSONS IN CANADA WHO ARE BOTH “ACCREDITED INVESTORS” WITHIN THE MEANING OF NATIONAL INSTRUMENT 45-106 – *PROSPECTUS EXEMPTIONS* (OR SECTION 73.3(1) OF THE *SECURITIES ACT* (ONTARIO), AS APPLICABLE) AND “PERMITTED CLIENTS” WITHIN THE MEANING OF NATIONAL INSTRUMENT 31-103 – *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*.

Unless otherwise stated, capitalised terms in this Appendix have the meanings ascribed to them in Appendix 2.

This Announcement is for information only and does not itself constitute or form part of an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities referred to herein in any jurisdiction including, without limitation, the United States, any other Restricted Territory (as defined below) or in any jurisdiction where such offer or solicitation is unlawful. No public offering of securities will be made in connection with the Placing in the United Kingdom, the United States, any other Restricted Territory or elsewhere.

This Announcement, and the information contained herein, is not for release, publication or distribution, directly or indirectly, to persons in the United States, Australia, Canada, the Republic of South Africa or Japan or in any jurisdiction in which such release, publication or distribution is unlawful (each a “**Restricted Territory**”). The distribution of this Announcement and the Placing and/or the offer or sale of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or by the Joint Bookrunners or any of their respective Affiliates, or any of its or their respective Affiliates’ directors, officers, employees, agents or advisers which would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any such action. Persons into whose possession this Announcement comes are required by the Company and each of the Joint Bookrunners to inform themselves about, and to observe, any such restrictions.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances to which section 21(1) of the Financial Services and Markets Act 2000, as amended (“**FSMA**”) does not apply.

The Placing has not been approved and will not be approved or disapproved by the US Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, or the Registrar of Companies in Bermuda or the Bermuda Monetary Authority nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is unlawful.

Subject to certain exceptions, the securities referred to in this Announcement may not be offered or sold in any Restricted Territory or to, or for the account or benefit of, a citizen or resident, or a corporation, partnership or other entity created or organised in or under the laws of a Restricted Territory.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by any Joint Bookrunners or any of their respective Affiliates, or any of their or their respective Affiliates' directors, officers, employees, agents or advisers as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any party or its advisers, and any liability therefore is expressly disclaimed.

The Joint Bookrunners are acting exclusively for the Company and no-one else in connection with the Placing and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Placing and/or any other matter referred to in this Announcement.

None of the Company or the Joint Bookrunners, or their respective Affiliates, or any of their or their respective Affiliates' directors, officers, employees, agents or advisers makes any representation or warranty, express or implied, to any Placees regarding any investment in the securities referred to in this Announcement under the laws applicable to such Placees. Each Placee should consult its own advisers as to the legal, tax, business, financial, accounting and related aspects of an investment in the Placing Shares.

**By participating in the Placing, Placees (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares has been given will (i) be deemed to have read and understood this Announcement, in its entirety; and (ii) be making such offer on the terms and conditions contained in this Appendix, including being deemed to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, indemnities acknowledgements and undertakings set out herein.**

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

- (a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
- (b) except as otherwise permitted by the Company and the Sole Global Co-ordinator and subject to any available exemptions from applicable securities laws, it and any account with respect to which it exercises sole investment discretion, is either (i) outside the United States subscribing for the Placing Shares in an offshore transaction as defined in and in accordance with Regulation S under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act ("**Rule 144A**"); and
- (c) if it is a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation, that it understands the resale and transfer restrictions set out in this Appendix and that any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a

view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in a Member State of the EEA to Qualified Investors or in the United Kingdom to Relevant Persons or in circumstances in which the prior consent of the Sole Global Co-ordinator has been given to each such proposed offer or resale.

## **IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING**

Defined terms used in this Appendix are set out in Appendix 2.

### ***Bookbuild***

Following this Announcement, the Joint Bookrunners will commence a bookbuilding process in respect of the Placing (the “**Bookbuild**”) to determine demand for participation in the Placing by Placees. No commissions will be paid to Placees or by Placees in respect of any Placing Shares. The book will open with immediate effect following the release of this Announcement. Members of the public are not entitled to participate in the Placing. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

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

The Joint Bookrunners are acting as placing agents and joint bookrunners in connection with the Placing. The Joint Bookrunners have entered into an agreement with the Company (the “**Placing Agreement**”) under which, subject to the conditions set out therein, the Joint Bookrunners, as agents for and on behalf of the Company, will agree to use their respective reasonable endeavours to procure Placees for the Placing Shares at a price determined following completion of the Bookbuild and as set out in the Placing Agreement, and to the extent that, following the execution of the Terms of Placing (as defined below) (if executed) by all the parties to the Placing Agreement, any Placee defaults in paying the Placing Price in respect of any of the Placing Shares allocated to it, to subscribe in their agreed proportions for such Placing Shares at the Placing Price on the Closing Date.

The price per Common Share at which the Placing Shares are to be placed (the “**Placing Price**”) and the final number of Placing Shares will be decided at the close of the Bookbuild following the execution of the terms of placing by the Company and the Joint Bookrunners (the “**Terms of Placing**”). The timing of the closing of the book, pricing and allocations are at the discretion of the Company and the Sole Global Co-ordinator. Details of the Placing Price and the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuild.

The Placing Shares have been or will be duly authorised and will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Common Shares after the date of issue. The Placing Shares will be issued free of any encumbrances, liens or other security interests. Placees will receive Depositary Interests representing Placing Shares in CREST (as defined below). The Placing Shares will be allotted to the Depositary or its nominated custodian and, as soon as practical following Admission (as defined below), the Depositary shall issue Depositary Interests to the CREST account of Morgan Stanley (as settlement manager) to be held by Morgan Stanley as nominee

for the relevant Placees, pending transfer of the legal title to those Depository Interests to the relevant Placees.

The Placing will be effected by way of a placing of new Common Shares in the Company for non-cash consideration. Morgan Stanley will subscribe for ordinary shares and redeemable preference shares in Project Lincoln Funding Limited, a wholly owned subsidiary of the Company, for an amount equal to the gross proceeds of the Placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to Placees in consideration for the transfer to it of the ordinary shares and redeemable preference shares in Project Lincoln Funding Limited that will have been allotted and issued to Morgan Stanley.

### ***Application for admission to trading***

The Company will apply to the Financial Conduct Authority (the “**FCA**”) for admission of the Placing Shares to the premium listing segment of the Official List of the FCA (the “**Official List**”) and to London Stock Exchange plc (the “**London Stock Exchange**”) for admission to trading of the Placing Shares on its Main Market for listed securities (“**Admission**”). It is expected that Admission will become effective at 8.00 a.m. (London time) on 12 June 2020 (or such later date as may be agreed between the Company and the Sole Global Co-ordinator).

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

1. The Joint Bookrunners are arranging the Placing as agent of the Company. Participation will only be available to persons who may lawfully be, and are, invited to participate by the Joint Bookrunners. The Joint Bookrunners and their respective Affiliates are entitled to enter bids as principal in the Bookbuild.
2. The Bookbuild, if successful, will establish the Placing Price payable to the Joint Bookrunners by all Placees whose bids are successful. The Placing Price and the aggregate proceeds to be raised through the Placing will be agreed between the Sole Global Co-ordinator and the Company following completion of the Bookbuild. Any discount to the market price of the Common Shares will be determined in accordance with the FCA Listing Rules published pursuant to Part VI of FSMA and applicable guidelines. The Placing Price will be announced on a Regulatory Information Service following the completion of the Bookbuild (or such later date as may be agreed between the Company and the Sole Global Co-ordinator).
3. To bid in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire either at the Placing Price which is ultimately established by the Company and the Sole Global Co-ordinator or at prices up to a price limit specified in its bid. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 6 below.
4. The Bookbuild is expected to close no later than 8.00 p.m. (London time) on 9 June 2020, being the date of this the Announcement, but may be closed earlier or later, at the discretion of the Sole Global Co-ordinator. The Joint Bookrunners may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.

5. Each Placee's allocation will be confirmed to Placees orally by the relevant Joint Bookrunner following the close of the Bookbuild, and a contract note will be dispatched as soon as possible thereafter. Subject to paragraph 7 below, the relevant Joint Bookrunner's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Joint Bookrunner and the Company, under which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay the relevant Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's Bye-laws.
6. Subject to paragraphs 2 and 3 above, the Sole Global Co-ordinator will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares and may scale down any bids for this purpose on such basis as it may determine. The Joint Bookrunners may also, notwithstanding paragraphs 2 and 3 above and subject to the prior consent of the Company, (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time. The acceptance of offers shall be at the absolute discretion of the Joint Bookrunners.
7. The allocation of Placing Shares to Placees located in the United States shall be conditional on the receipt, compliance and/or execution (as may be applicable) by each Placee of or with an investor representation letter (each an "**Investor Representation Letter**") in the form provided to it by one of the Joint Bookrunners or its Affiliates.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and, except with the relevant Joint Bookrunner's consent, will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner (as agent of the Company), to pay it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to acquire. Such Placees' obligations will be owed to the Company and to the relevant Joint Bookrunner.
9. Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
10. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".
11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement".

12. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Joint Bookrunner.
13. To the fullest extent permissible by law, none of the Joint Bookrunners, the Company or any of their respective Affiliates shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Joint Bookrunners, nor the Company, nor any of their respective Affiliates shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners, their respective Affiliates and the Company may agree.

### *Conditions of the Placing*

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

- (a) the Terms of Placing having been executed by the Company and the Joint Bookrunners;
- (b) the publication by the Company of the results of the Placing on a Regulatory Information Service;
- (c) the Company having complied with its obligations under the Placing Agreement (including the delivery of certain documents) or under the terms or conditions of the Placing which fall to be performed on or prior to the date of the closing of the Placing save where, in the opinion of the Sole Global Co-ordinator, acting in good faith, such non-compliance is not (singly or in the aggregate) material in the context of the Placing or Admission;
- (d) other than certain announcements contemplated in connection with the Placing and Admission, no supplementary announcement being required to be published in connection with the Placing prior to Admission other than would not, in the good faith opinion of the Sole Global Co-ordinator, be expected to be adverse to the Placing;
- (e) each of the warranties on the part of the Company in the Placing Agreement being true and accurate and not misleading on the date of the Placing Agreement, the time of execution of the Terms of Placing and the date of Admission as though they had been given and made on such date by reference to the facts and circumstances then subsisting;
- (f) the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement;
- (g) the option agreement (the "**Option Agreement**") and the subscription and transfer agreement (the "**Subscription and Transfer Agreement**") each having been duly executed and delivered by the parties thereto and there having occurred no material default or material breach of the terms thereof and the Option Agreement and the

Subscription and Transfer Agreement remaining in full force and effect and not having been amended or terminated (including no notice having been given in respect of its termination) and no condition having become incapable of satisfaction, in each case prior to the date of the closing of the Placing;

- (h) each condition to enable the Depositary Interests to be issued to or for the benefit of prospective holders of Placing Shares, other than Admission, being satisfied on or before Admission; and
- (i) Admission of the Placing Shares occurring at or before 8:00 a.m. (London time) on the date of the closing of the Placing (or such later date as the Company and the Sole Global Co-ordinator may agree in writing).

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

The Sole Global Co-ordinator may, at its discretion, extend the time for satisfaction of any condition or waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement save that the above conditions relating, inter alia, to (i) the execution of the Terms of Placing, (ii) Admission taking place, (iii) the Company allotting and/or issuing, as applicable, the Placing Shares and (iv) the publication by the Company of the results of the Placing may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of the Joint Bookrunners nor any of their respective Affiliates, nor any of its or their respective Affiliates' directors, officers, employees, agents or advisers shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under "Termination of the Placing Agreement" below, and will not be capable of rescission or termination by the Placee.

### ***Termination of the Placing Agreement***

The Sole Global Co-ordinator is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including, *inter alia*, if: (i) there has been a breach by the Company of any of the warranties contained in the Placing Agreement; (ii) there has been a breach by the Company of any undertakings or covenants contained in the Placing Agreement which, in the opinion of the Sole Global Co-ordinator, acting in good faith, is material in the context of Admission or the Placing; (iii) in the opinion of the Sole Global Co-ordinator, acting in good faith, there has been a Material Adverse Change, whether or not such Material Adverse Change was foreseeable at the date of the Placing Agreement; (iv) the applications for Admission are withdrawn or refused by the FCA or the London Stock Exchange; (v) a statement published by the Company in relation to the Placing is or has become untrue or incorrect or misleading, or any matter has arisen which would, if the statements published by the Company in relation to the Placing were to be issued at that time, constitute an inaccuracy or omission therefrom, in each case which the Sole Global Co-ordinator, acting in good faith, considers to be material in the context of the Placing or Admission; or (vi) where any of the following events have occurred and the effect of which is such as to make it, in the opinion of the Sole Global Co-ordinator, acting in good faith, impracticable or inadvisable to proceed with the Placing, to enforce contracts for the sale of the Placing Shares, or may materially and adversely impact dealing in the Placing Shares following Admission: a material adverse change in international financial markets; any outbreak or escalation of hostilities, war, act of terrorism, declaration of emergency or martial law or other calamity or crisis or event or any change or development involving a prospective change in national or international political, financial, economic, monetary or market conditions; a suspension or limitation to trading in any securities of the Company or to trading generally on the New York Stock Exchange, the NASDAQ National Market or the London Stock Exchange; a material disruption in commercial banking or securities settlement or clearance; a material adverse change in taxation; the imposition of exchange controls; or the declaration of a banking moratorium.

By participating in the Placing, Placees agree that the exercise by the Sole Global Co-ordinator of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Sole Global Co-ordinator or for agreement between the Company and the Sole Global Co-ordinator (as the case may be) and that neither the Company nor the Sole Global Co-ordinator need make any reference to, or consultation with, Placees and that neither the Company nor the Sole Global Co-ordinator, nor any of its Affiliates, nor any of its or their respective Affiliates' directors, officers, employees, agents or advisers shall have any liability to Placees whatsoever in connection with any such exercise.

### ***No prospectus***

No offering document, prospectus or admission document has been or will be prepared or submitted to be approved by the FCA (or any other authority) in relation to the Placing, and Placees' commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement, and any Exchange Information (as defined below) previously published by or on behalf of the Company simultaneously with or prior to the date of this Announcement and subject to the further terms set forth in the contract note (referred to in paragraph 5 above under "Participation in, and principal terms of, the Placing") to be provided to individual prospective Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement and the publicly available information released by or on behalf of the Company is exclusively the responsibility of the Company and confirms to the Joint Bookrunners and the Company that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Group (other than publicly available information) or the Joint Bookrunners or their respective Affiliates or any other person and none of the Joint Bookrunners or the Company, or any of their respective Affiliates or any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Group in making an offer to participate in the Placing. Nothing in this paragraph shall exclude or limit the liability of any person for fraudulent misrepresentation by that person.

### ***Lock-up***

The Company has undertaken to the Joint Bookrunners that, between the date of the Placing Agreement and 90 calendar days after the Closing Date, it will not, without the prior written consent of the Sole Global Co-ordinator, enter into certain transactions involving or relating to the Common Shares, subject to certain customary carve-outs agreed between the Sole Global Co-ordinator and the Company.

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

### ***Registration and settlement***

Settlement of transactions in the Depositary Interests representing the Placing Shares (ISIN: BMG5361W1047) following Admission will take place within the relevant system administered by Euroclear (“CREST”), using the delivery versus payment mechanism, subject to certain exceptions. Subject to certain exceptions, the Joint Bookrunners and the Company reserve the right to require settlement for, and delivery of, the Placing Shares to Placees by such other means that they deem necessary if delivery or settlement of Depositary Interests representing the Placing Shares is not practicable in CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares to be allocated to it at the Placing Price, the aggregate amount owed by such Placee to the Joint Bookrunners and settlement instructions. Placees should settle against Morgan Stanley CREST Participant ID: 50703 Member Account ID: FIRM. It is expected that such contract note will be despatched on or around 10 June 2020 and that this will also be the trade date.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with the relevant Joint Bookrunner.

The Company will procure that the Depository shall deliver the Depository Interests representing the Placing Shares to a CREST account operated by Morgan Stanley as agent for the Company and Morgan Stanley will enter its delivery (DEL) instruction into the CREST system. Morgan Stanley will hold any Depository Interests representing the Placing Shares delivered to this account as nominee for the Placees. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Depository Interests representing the Placing Shares to that Placee against payment.

It is expected that settlement of the Depository Interests representing the Placing Shares will be on 12 June 2020 on a T+2 basis in accordance with the instructions given to the Joint Bookrunners.

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

Each Placee agrees that, if it does not comply with these obligations, the Joint Bookrunners may subscribe for and retain such shares as principal or may sell any or all of the Placing Shares and/or Depository Interests representing those Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and shall be required to bear any stamp duty, stamp duty reserve tax or other stamp, securities, transfer, registration, execution, documentary or other similar impost, duty or tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares and/or Depository Interests representing the Placing Shares. The foregoing is without prejudice to any cause of action the Joint Bookrunners may have against a defaulting Placee. If Placing Shares and/or Depository Interests representing the Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares and/or Depository Interests representing the Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares and/or Depository Interests representing the Placing Shares should, subject to as provided below, be so registered free from any liability to UK stamp duty or UK stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax (and/or any interest, fines or penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares and/or Depository Interests representing the Placing Shares (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares and/or Depository Interests representing the Placing Shares), neither the Joint Bookrunners nor the Company shall be responsible for the payment thereof.

### ***Representations and warranties***

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case

may be) with the Joint Bookrunners (in their capacity as joint bookrunners and as placing agents of the Company in respect of the Placing) and the Company, in each case as a fundamental term of its application for Placing Shares, the following:

1. it has read and understood this Announcement, including this Appendix, in its entirety and that its subscription for and purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Bookbuild, the Placing, the Company, the Placing Shares or otherwise;
2. that no offering document or prospectus or admission document has been or will be prepared in connection with the Placing or is required under the Prospectus Regulation and it has not received and will not receive a prospectus, admission document or other offering document in connection with the Bookbuild, the Placing or the Placing Shares;
3. that certain Common Shares are admitted to trading on the London Stock Exchange and that the Company is therefore required to publish certain business and financial information in accordance with MAR and the rules and practices of the London Stock Exchange and/or the FCA (collectively, the “**Exchange Information**”), which includes a description of the nature of the Company’s business and the Company’s most recent balance sheet and profit and loss account, and similar statements for preceding financial years and that it has reviewed such Exchange Information and that it is able to obtain or access such Exchange Information;
4. that none of the Joint Bookrunners, nor the Company nor any of their respective Affiliates nor any person acting on behalf of any of them has provided, and none of them will provide, it with any material or information regarding the Placing Shares, the Bookbuild, the Placing or the Company or any other person other than this Announcement, nor has it requested any of the Joint Bookrunners, the Company, or any of their respective Affiliates nor any person acting on behalf of any of them to provide it with any such material or information;
5. unless otherwise specifically agreed with the Joint Bookrunners, that they are not, and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of a Restricted Territory or any other jurisdiction in which it would be unlawful to make or accept an offer to acquire the Placing Shares, and further acknowledges that the Placing Shares have not been and will not be registered or otherwise qualified, for offer and sale nor will an offering document, prospectus or admission document be cleared or approved in respect of any of the Placing Shares under the securities legislation of the United States or any other Restricted Territory and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in, into or within those jurisdictions or in any country or jurisdiction where any such action for that purpose is required;

6. that the content of this Announcement is exclusively the responsibility of the Company and that none of the Joint Bookrunners or any of their respective Affiliates or any person acting on their behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company, including, without limitation, any Exchange Information, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares, and that it has neither received nor relied on any other information given or investigations, representations, warranties or statements made by the Joint Bookrunners or the Company and none of the Joint Bookrunners or the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation, examination and due diligence of the business, financial or other position of the Company in deciding to participate in the Placing and that none of the Joint Bookrunners or any of their respective Affiliates have made any representations to it, express or implied, with respect to the Company, the Bookbuild, the Placing and the Placing Shares or the accuracy, completeness or adequacy of the Exchange Information, and each of them expressly disclaims any liability in respect thereof;
7. that it has not relied on any information relating to the Company contained in any research reports prepared by the Joint Bookrunners, any of their respective Affiliates or any person acting on the Joint Bookrunners' or any or any of their respective Affiliates' behalf and understands that (i) none of the Joint Bookrunners or any of their respective Affiliates nor any person acting on their behalf has or shall have any liability for public information or any representation; (ii) none of the Joint Bookrunners or any of their respective Affiliates nor any person acting on their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this Announcement or otherwise; and that (iii) none of the Joint Bookrunners or any of their respective Affiliates nor any person acting on their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;
8. that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares (or, for the avoidance of doubt, Depositary Interests representing the Placing Shares) will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person to whom the allocation, allotment, issue or delivery of the Placing Shares (and/or Depositary Interests representing the Placing Shares) would give rise to such a liability and that the Placing Shares (and/or Depositary Interests representing the Placing Shares) are not being acquired in connection with arrangements to issue

depository receipts or to issue or transfer Placing Shares (and/or Depository Interests representing the Placing Shares) into a clearance service;

9. that it acknowledges that no action has been or will be taken by the Company, the Joint Bookrunners or any person acting on behalf of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares and/or Depository Interests representing the Placing Shares (as appropriate) in any country or jurisdiction where any such action for that purpose is required;
10. that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Joint Bookrunners, the Company or any of their respective Affiliates acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
11. that it (and any person acting on its behalf) has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
12. that it has complied with its obligations under the Criminal Justice Act 1993, MAR and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof (the “**Regulations**”) and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations. If within a reasonable time after a request for verification of identity, the Joint Bookrunners have not received such satisfactory evidence, the Joint Bookrunners may, in their absolute discretion, terminate the Placee’s Placing participation in which event all funds delivered by the Placee to the Joint Bookrunners will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;
13. that it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make, and does make, the acknowledgments, representations and agreements herein on behalf of each such person; and (ii) it is and will remain liable to the Joint Bookrunners and the Company for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
14. if in a Member State of the EEA, that it is a “Qualified Investor” within the meaning of Article 2(e) of the Prospectus Regulation (“**Qualified Investor**”);

15. if in the United Kingdom, that it is a Qualified Investor: (i) who falls within the definition of “investment professional” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (ii) who falls within Article 49(2)(a) to (d) (‘High Net Worth Companies, Unincorporated Associations, etc.’) of the Order or (iii) to whom this Announcement may otherwise lawfully be communicated and it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
16. that it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentation or other materials concerning the Placing, in or into the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
17. where it is acquiring the Placing Shares for one or more managed accounts, it represents, warrants and undertakes that it is authorised in writing by each managed account to acquire the Placing Shares for each managed account and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;
18. that if it is a pension fund or investment company, it represents, warrants and undertakes that its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
19. if it is acting as a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation, that the Placing Shares acquired for by it in the Placing will not be acquired for on a non-discretionary basis on behalf of, nor will they be acquired for with a view to their offer or resale to, persons in a Member State of the EEA other than Qualified Investors or persons in the United Kingdom other than Relevant Persons, or in circumstances in which the prior consent of the Joint Bookrunners and the Company has been given to the proposed offer or resale;
20. that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to Relevant Persons or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;
21. that any offer of Placing Shares may only be directed at persons in Member States of the EEA or the United Kingdom who are Qualified Investors and represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA or the United Kingdom prior to Admission except to Qualified Investors or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any Member State of the EEA or the United Kingdom within the meaning of the Prospectus Regulation;
22. that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the

Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

23. that it has complied and will comply with all applicable laws (including all relevant provisions of FSMA) with respect to anything done by it in relation to the Placing Shares in respect of anything done in, from or otherwise involving, the United Kingdom;
24. if it has received any inside information about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person except as permitted by MAR, prior to the information being made publicly available;
25. that (i) it (and any person acting on its behalf) has capacity and authority and is otherwise entitled to purchase the Placing Shares under the laws of all relevant jurisdictions which apply to it; (ii) it has paid any issue, transfer or other taxes due in connection with its participation in any territory; (iii) it has not taken any action which will or may result in the Company, the Joint Bookrunners, any of their respective Affiliates or any person acting on their behalf being in breach of the legal and/or regulatory requirements and/or any anti-money laundering requirements of any territory in connection with the Placing; and (iv) that the subscription for and purchase of the Placing Shares by it or any person acting on its behalf will be in compliance with applicable laws and regulations in the jurisdiction of its residence, the residence of the Company, or otherwise;
26. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees, subscribed for or sold as the Joint Bookrunners may in their absolute discretion determine (subject to the allocation policies agreed with the Company) and without liability to such Placee. It will, however, remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) due pursuant to the terms set out or referred to in this Announcement which may arise upon the sale of such Placee's Placing Shares on its behalf;
27. that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares to which it will be entitled, and required, to acquire, and that the Joint Bookrunners or the Company may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
28. that none of the Joint Bookrunners nor any of their respective Affiliates nor any person acting on their behalf, is making any recommendations to it, or advising it regarding the suitability or merits of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Joint Bookrunners and that the Joint Bookrunners do not have any duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in

the Placing Agreement nor for the exercise or performance of any of the Joint Bookrunners' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

29. that the person whom it specifies for registration as holder of the Placing Shares and/or Depositary Interests representing the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither the Joint Bookrunners nor the Company or any of their respective Affiliates will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar duties or taxes (together with any interest or penalties) resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify each of the Joint Bookrunners, the Company and any of their respective Affiliates in respect of the same on an after-tax basis on the basis that the Placing Shares and/or Depositary Interests representing the Placing Shares will be allotted to the CREST stock account of Morgan Stanley who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
30. that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it subjects (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such agreements, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Joint Bookrunners or the Company in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
31. that each of the Joint Bookrunners, the Company and their respective Affiliates and others will rely upon the truth and accuracy of the representations, warranties, agreements, undertakings and acknowledgements set forth herein and which are given to each of the Joint Bookrunners on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises each of the Joint Bookrunners and the Company to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
32. that it will indemnify on an after-tax basis and hold each of the Joint Bookrunners, the Company and their respective Affiliates and any person acting on their behalf harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of, directly or indirectly, or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
33. that it acknowledges that it irrevocably appoints any director of the Joint Bookrunners as its agent for the purposes of executing and delivering to the Company and/or its registrars and/or the Depositary any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;

34. that it acknowledges that its commitment to acquire Placing Shares on the terms set out herein and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Joint Bookrunners' conduct of the Placing;
35. that in making any decision to acquire the Placing Shares (i) it has sufficient knowledge, sophistication and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares, (ii) it is experienced in investing in securities of this nature in the Company's sector and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing, (iii) it has relied on its own examination, due diligence and analysis of the Company and its Affiliates taken as a whole, including the markets in which the Group operates, and the terms of the Placing, including the merits and risks involved and not upon any view expressed or information provided by or on behalf of the Joint Bookrunners, (iv) it has had sufficient time and access to information to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the legal, regulatory, tax, business, currency and other economic and financial considerations relevant to such investment and has so conducted its own investigation to the extent it deems necessary for the purposes of its investigation, (v) it is aware and understands that an investment in the Placing Shares involves a considerable degree of risk; and (vi) it will not look to the Company, the Joint Bookrunners, any of their respective Affiliates or any person acting on their behalf for all or part of any such loss or losses it or they may suffer;
36. that it acknowledges and agrees that none of the Joint Bookrunners or the Company owe any fiduciary or other duties to it or any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
37. that it understands and agrees that it may not rely on any investigation that the Joint Bookrunners or any person acting on its behalf may or may not have conducted with respect to the Company and its Affiliates or the Placing and the Joint Bookrunners have not made any representation or warranty to it, express or implied, with respect to the merits of the Placing, the subscription for or purchase of the Placing Shares, or as to the condition, financial or otherwise, of the Company and its Affiliates, or as to any other matter relating thereto, and nothing herein shall be construed as any investment or other recommendation to it to acquire the Placing Shares. It acknowledges and agrees that no information has been prepared by, or is the responsibility of, the Joint Bookrunners for the purposes of this Placing;
38. that it acknowledges and agrees that it will not hold any of the Joint Bookrunners or any of their respective Affiliates or any person acting on their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group (the "**Information**") and that none of the Joint Bookrunners or any person acting on behalf of the Joint Bookrunners makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;

39. that in connection with the Placing, each of the Joint Bookrunners and any of their respective Affiliates may take up a portion of the Placing Shares in the Company and in that capacity may retain, purchase or sell for its own account such Placing Shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares in the Company to the Joint Bookrunners and any of their respective Affiliates acting in such capacity. In addition, certain of the Joint Bookrunners or any of their respective Affiliates may enter into financing arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Joint Bookrunners or any of their respective Affiliates may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. None of the Joint Bookrunners or any of their respective Affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
40. that it acknowledges that the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. The Placing Shares have not been registered or otherwise qualified for offer and sale nor will a prospectus be cleared or approved in respect of the Placing Shares under the securities laws of any Restricted Territory and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States or any other Restricted Territory, or in any country or jurisdiction where any action for that purpose is required;
41. that the Placing Shares offered and sold in the United States are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and, so long as the Placing Shares are “restricted securities”, it will not deposit the Placing Shares into any unrestricted depositary receipt facility maintained by any depositary bank in respect of the Company’s Common Shares. It will not re-offer, sell, pledge or otherwise transfer the Placing Shares except: (i) in an offshore transaction in accordance with Regulation S under the Securities Act; (ii) in the United States to QIBs (as defined below) pursuant to Rule 144A; (iii) pursuant to Rule 144 under the Securities Act (if available) or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, in each case in compliance with all applicable securities laws of the United States or any state or other jurisdiction of the United States; or (iv) pursuant to an effective registration statement under the Securities Act and that, in each such case, such offer, sale, pledge or transfer will be made in accordance with any applicable securities laws of the United States or any state or other jurisdiction of the United States;
42. that the Placing Shares are being offered and sold by or on behalf of the Company in offshore transactions (as defined in Regulation S under the Securities Act) and to

certain qualified institutional buyers (“**QIBs**”) (as defined in Rule 144A) in reliance upon Rule 144A or another exemption from, or transaction not subject to, the registration requirements under the Securities Act. It and the prospective beneficial owner of the Placing Shares is, and at the time the Placing Shares are subscribed for will be, either: (i) outside the United States and subscribing for the Placing Shares in an offshore transaction as defined in, and in accordance with, Regulation S under the Securities Act; or (ii) a QIB which has (where required by the relevant Joint Bookrunners) agreed to be bound to the terms of the Investor Representation Letter in the form provided to it by one of the Joint Bookrunners or its Affiliates. In addition, with respect to (ii) above, it is subscribing for the Placing Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and each of which is a QIB, it is subscribing for the Placing Shares for investment purposes only and not with a view to any distribution or for resale in connection with the distribution thereof, in whole or in part, in the United States and it has full power to make the acknowledgements, representations and agreements herein on behalf of each such account;

43. that it is not acquiring any of the Placing Shares as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) or any form of directed selling efforts (as defined in Regulation S);
44. unless it is a Canadian Purchaser (as defined below), it is not a resident of Canada or otherwise subject to the securities laws of Canada and is not purchasing the Placing Shares for a principal who is a resident of Canada or otherwise subject to the laws of Canada; and
45. that each of the Joint Bookrunners and their respective Affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business to, the Company and/or its Affiliates for which they would have received customary fees and commissions and that each of the Joint Bookrunners and their respective Affiliates may provide such services to the Company and/or its Affiliates in the future.

### ***Notice to Canadian Investors***

#### ***General***

The Joint Bookrunners may, but are under no obligation to, permit certain persons that are in Canada or subject to the securities laws of Canada to participate in the Placing. This Announcement, including this Appendix, is being delivered solely, and for the confidential use of only the Canadian Purchasers (as defined below) identified by a Joint Bookrunner to evaluate an investment in the Placing Shares. The information contained within this Announcement does not constitute an offer in Canada to any other person, or a general offer to the public, or a general solicitation from the public, to subscribe for or purchase the Placing Shares. The distribution of this Announcement and the offer and sale of Placing Shares in certain of the Canadian provinces may be restricted by law. Persons into whose possession this Announcement comes must inform themselves about and observe any such restrictions.

Any distribution made in Canada will be made in reliance upon an exemption from the prospectus requirement of applicable Canadian securities laws. Accordingly, Placees do not receive the benefits associated with a subscription for securities issued pursuant to a prospectus, including the review of offering materials by any securities regulatory authority. No securities commission or similar securities regulatory authority in Canada has reviewed or in any way passed upon this Announcement or the merits of the Placing Shares and any representation to the contrary is an offence under applicable Canadian securities laws.

### *Placing in Canada*

The offering of Placing Shares in Canada or to a person subject to Canadian securities laws is being made only to “permitted clients” as defined in National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* under the “accredited investor” exemption to the prospectus requirement as set out in Section 2.3 of National Instrument 45-106 - *Prospectus Exemptions* or subsection 73.3(2) of the *Securities Act* (Ontario), as applicable. A Placee that is in Canada or subject to Canadian securities laws will, upon a Placee’s participation being confirmed, be deemed to have represented and warranted to the Company and Joint Bookrunners that it is a “permitted client” and purchasing the Placing Shares from a Joint Bookrunner which is a dealer permitted to rely on the “international dealer exemption” contained in, and that such Placee has received the notice from such dealer referred to in, section 8.18 of National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (such a Placee, a “**Canadian Purchaser**”). A “permitted client” includes, among other things: (i) a person or company, other than an individual or an investment fund, that has net assets of at least Cdn. \$25 million as shown on its most recently prepared financial statements; (ii) an individual who beneficially owns financial assets (being cash, securities, contracts of insurance, deposits, or evidence of a deposit) having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds Cdn. \$5 million; and (iii) a person or company acting on behalf of a managed account which is managed by that person or company, if it is registered or authorised to carry on business as an adviser or the equivalent under the securities legislation of any province or territory of Canada, or the securities legislation of any other country.

By purchasing the Placing Shares, the Canadian Purchaser acknowledges that its name, address, telephone number and other specified information, including the number of Placing Shares it has purchased, may be disclosed to Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable laws. The Canadian Purchaser consents to the disclosure of that information.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Announcement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

The Canadian Purchaser acknowledges that, pursuant to section 3A.3 of National Instrument 33-105 - *Underwriting Conflicts* (“**NI 33-105**”), the Joint Bookrunners may not be required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of Placing Shares.

### *Resale Restrictions*

The Placing Shares have not been nor will they be qualified for offer or sale to the public under applicable Canadian securities laws and, accordingly, the Placing Shares acquired by Canadian Purchasers may not be sold, transferred or otherwise disposed of in any manner unless such sale, transfer or disposition complies with the resale restrictions of the applicable securities laws of the relevant Canadian jurisdiction.

Unless determined otherwise in compliance with applicable law, Canadian Purchasers acquiring Placing Shares must not trade the Placing Shares before the date that is four months and a day after the later of the distribution date of the Placing Shares and the date that the Company became a reporting issuer in any province or territory of Canada and the Placing Shares will be subject to the following legend restriction and a legend to the following effect will be placed on certificates, if any, representing the Placing Shares:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [INSERT DISTRIBUTION DATE], AND (II) THE DATE THAT THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.”

The above constitutes written notice of the legend requirement set out in section 2.5 of National Instrument 45-102 - *Resale of Securities* (“**NI 45-102**”) pursuant to, and as required by, subsection 2.5(2)(3.1) of NI 45-102.

The Company is not presently, nor does it intend to become, a “reporting issuer”, as such term is defined under applicable Canadian securities laws, in any province or territory of Canada. Canadian Purchasers are advised that the Placing Shares will not be listed on any stock exchange in Canada and that no public market for the Placing Shares is expected to exist in Canada following the Placing. Canadian Purchasers are further advised that the Company is not required to file, and currently does not intend to file, a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of Placing Shares to the public in any province or territory of Canada. Accordingly, the applicable hold period for the Placing Shares may never expire, and if no further statutory exemption may be relied upon and if no discretionary order is obtained, this could result in a Canadian Purchaser having to hold the Placing Shares for an indefinite period of time.

The foregoing is a summary only of applicable Canadian resale restrictions and is subject to the express provisions of applicable Canadian securities legislation. All Canadian Purchasers should consult with their own Canadian legal advisors to determine the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or the obtaining of a discretionary order.

### **General**

The foregoing acknowledgements, agreements, undertakings, representations, warranties and confirmations are given for the benefit of the Company as well as each of the Joint Bookrunners (for their own benefit and, where relevant, the benefit of their respective Affiliates and any person acting on their behalf) and are irrevocable. Each Placee, and any person acting on behalf of a Placee, acknowledges that none of the Joint Bookrunners or

Company owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Please also note that the agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as nominee or agent) free of UK stamp duty and UK stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents or nominees, direct from the Company for the Placing Shares in question. None of the Company or the Joint Bookrunners will be responsible for any UK stamp duty or UK stamp duty reserve tax (including any interest and penalties relating thereto) arising in relation to the Placing Shares in any other circumstances.

Such agreement is subject to the representations, warranties and further terms above and also assumes, and is based on a warranty from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. Neither the Joint Bookrunners nor the Company are liable to bear any stamp duty or stamp duty reserve tax or any other similar duties or taxes (“**transfer taxes**”) that arise (i) if there are any such arrangements (or if any such arrangements arise subsequent to the acquisition by Placees of Placing Shares), or (ii) on a sale of Placing Shares, or (iii) for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such transfer taxes undertakes to pay such transfer taxes forthwith, and agrees to indemnify on an after-tax basis and hold the Joint Bookrunners, the Company and their respective Affiliates harmless from any such transfer taxes, and all interest, fines or penalties in relation to such transfer taxes. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises.

Each Placee and any person acting on behalf of each Placee acknowledges and agrees that any of the Joint Bookrunners or any of their respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

Each Placee acknowledges and is aware that the Joint Bookrunners are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement.

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

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

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

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

Each Placee may be asked to disclose in writing or orally to the Joint Bookrunners:

- (a) if he or she is an individual, his or her nationality; or
- (b) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

## Appendix 2

### *Definitions*

The following definitions apply throughout this Announcement unless the context otherwise requires:

<b>Admission</b>	means the admission of the Placing Shares to the Official List becoming effective in accordance with the Listing Rules and the admission of the Placing Shares to trading on the London Stock Exchange's main market becoming effective in accordance with the Admission and Disclosure Standards;
<b>Admission and Disclosure Standards</b>	means the Admission and Disclosure Standards of the London Stock Exchange, as amended from time to time;
<b>Affiliate</b>	has the meaning given in Rule 501(b) of Regulation D under the Securities Act or Rule 405 under the Securities Act, as applicable and, in the case of the Company, includes its consolidated subsidiaries and subsidiary undertakings from time to time;
<b>Announcement</b>	means this announcement (including its Appendices);
<b>Bookbuild</b>	means the bookbuilding process to be commenced by the Joint Bookrunners to use reasonable endeavours to procure Places for the Placing Shares, as described in this Announcement and subject to the terms and conditions set out in this Announcement and the Placing Agreement;
<b>Canadian Purchaser</b>	has the meaning given to it in Appendix 1 to this Announcement;
<b>Citigroup</b>	means Citigroup Global Markets Limited;
<b>Closing Date</b>	means the day on which the transactions effected in connection with the Placing will be settled pursuant to the terms and conditions of the Placing Agreement;
<b>Common Share</b>	means a common share, with a par value of US\$0.50, in the capital of the Company (including, for the avoidance of doubt, Depositary Interests in respect of, and representing on a one-for-one basis, Common Shares, if applicable);
<b>Company</b>	Lancashire Holdings Limited;
<b>CREST</b>	means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which Euroclear is the Operator (as defined in such Regulations) in accordance with which securities may be held

	and transferred in uncertificated form;
<b>Deed Poll</b>	means the deed poll in respect of Depositary Interests dated December 2005 executed by the Depositary in favour of the holders and prospective holders of Depositary Interests;
<b>Depositary</b>	means Link Market Services Trustees Limited of The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom;
<b>Depositary Interest</b>	means a depositary interest held in dematerialised form through CREST representing one Common Share and issued by the Depositary (or its nominee) from time to time pursuant to the Deed Poll and “Depositary Interests” shall be construed accordingly;
<b>DTRs</b>	means the Disclosure Guidance and Transparency Rules made by the FCA pursuant to Part VI of FSMA, as amended from time to time;
<b>EEA</b>	means the European Economic Area;
<b>Euroclear</b>	means Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales;
<b>Exchange Information</b>	means the business and financial information the Company is required to publish in accordance with MAR and the rules and practices of the London Stock Exchange and/or the FCA;
<b>FCA or Financial Conduct Authority</b>	means the UK Financial Conduct Authority;
<b>FSMA</b>	means the Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto;
<b>Group</b>	means the Company and its consolidated subsidiaries and subsidiary undertakings from time to time;
<b>Information</b>	means publicly available information relating to the Group or information made available (whether in written or oral form) relating to the Group;
<b>Investor Representation Letter</b>	has the meaning given to it in Appendix 1 to this Announcement;
<b>Joint Bookrunners</b>	means each of Morgan Stanley and Citigroup;
<b>LIBOR</b>	means the London Inter-Bank Offered Rate, or any successor or replacement thereof;
<b>Listing Rules</b>	means the listing rules made by the FCA under Part VI of

	FSMA, as amended from time to time;
<b>London Stock Exchange</b>	means London Stock Exchange plc;
<b>MAR</b>	means the Market Abuse Regulation (EU) No. 596/2014;
<b>Material Adverse Change</b>	means any material adverse effect or change in or affecting, or any development reasonably likely to give rise to or involve a material adverse change in or affecting, the condition (financial, operational, legal or otherwise) or the earnings, management, business affairs, solvency, credit rating or prospects, of the Company or the Group taken as a whole, whether or not arising in the ordinary course of business;
<b>Morgan Stanley (Sole Global Co-ordinator)</b>	means Morgan Stanley & Co. International plc;
<b>NI 33-105</b>	has the meaning given to it in Appendix 1 to this Announcement;
<b>NI 45-102</b>	has the meaning given to it in Appendix 1 to this Announcement;
<b>Official List</b>	means the Official List maintained by the FCA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
<b>Option Agreement</b>	means the option agreement entered into between the Company, Morgan Stanley and Project Lincoln Funding Limited on or about the date hereof;
<b>Order</b>	means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;
<b>Placee</b>	means any person procured by the Joint Bookrunners (acting as agents for and on behalf of the Company), on the terms and subject to the conditions of this Agreement, to subscribe for the Placing Shares pursuant to the Placing;
<b>Placing</b>	has the meaning given in paragraph 1 of this Announcement;
<b>Placing Agreement</b>	has the meaning given to it in Appendix 1 to this Announcement;
<b>Placing Price</b>	means the price per Placing Share as may be agreed between the Sole Global Co-ordinator and the Company, and as shall be specified in the executed Terms of Placing;
<b>Placing Shares</b>	has the meaning given in paragraph 1 of this Announcement;

<b>PRA or Prudential Regulation Authority</b>	means the UK Prudential Regulation Authority;
<b>Prospectus Regulation</b>	means the Prospectus Regulation (EU) 2017/1129;
<b>QIB</b>	means a “qualified institutional buyer” as defined in Rule 144A of the Securities Act;
<b>Qualified Investor</b>	has the meaning given in Article 2(e) of the Prospectus Regulation;
<b>Regulation S</b>	means Regulation S promulgated under the Securities Act;
<b>Regulations</b>	means the Criminal Justice Act 1993, MAR and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering Sourcebook of the FCA and any related or similar rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof;
<b>Regulatory Information Service</b>	means a primary information provider that has been approved by the FCA to disseminate regulated information;
<b>Relevant Persons</b>	means (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Order; (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom this Announcement may otherwise lawfully be communicated;
<b>Restricted Territory</b>	means the United States, Australia, Canada, the Republic of South Africa or Japan or any jurisdiction in which the release, publication or distribution of this Announcement is unlawful;
<b>Securities Act</b>	means the US Securities Act of 1933, as amended;
<b>Subscription and Transfer Agreement</b>	means the subscription and transfer agreement entered into between the Company, Morgan Stanley and Project Lincoln Funding Limited on or about the date hereof;
<b>subsidiary</b>	has the meaning given to that term in the Companies Act 2006;
<b>subsidiary undertaking</b>	has the meaning given to that term in the Companies Act 2006;

<b>Terms and Conditions</b>	means the terms and conditions of the Placing set out in Appendix 1 to this Announcement;
<b>Terms of Placing</b>	has the meaning given to it in Appendix 1 to this Announcement;
<b>Transfer taxes</b>	means stamp duty or stamp duty reserve tax or any other similar duties or taxes;
<b>uncertificated or in uncertificated form</b>	means in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
<b>United Kingdom or UK</b>	means the United Kingdom of Great Britain and Northern Ireland; and
<b>United States or US</b>	means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof.

All references to “US\$”, “\$” or “dollars” are to the lawful currency of the United States of America and all references to “pounds” and “£” are to the lawful currency of the United Kingdom.