

APPLICABLE PRICING SUPPLEMENT

DATE: 24 January 2025

Set out below is the Pricing Supplement form to be completed for each Tranche of Notes issued under the Programme:

PREMIUM TOBACCO HOLDINGS LIMITED

(Incorporated as a BVI business company in accordance with the laws of British Virgin Islands under registration no. 517245)

Issue of up to USD 20,000,000 Floating Rate Secured Notes Due 2028

Under its USD 100,000,000 Multi-Currency Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the Listing Particulars dated 24 January 2025 ("LP"), prepared by Premium Tobacco Holdings Limited ("Issuer") in connection with the Multi-currency Note Programme, as amended and/or supplemented from time to time.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set out in the Listing Particulars dated 24 January 2025 and bearing number LEC/P/11/2025. This Applicable Pricing Supplement must be read in conjunction with such Listing Particulars. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Listing Particulars, the provisions of this Applicable Pricing Supplement shall prevail.

A request for waiver was made by the Issuer to the Listing Executive Committee (LEC) of the Stock Exchange of Mauritius (SEM), under LR 2.3 (b) to not disclose

the Interest Rate Margin for the following reasons:

- The Notes have been subscribed by one Noteholder who has signified its intention not to trade these Notes but to hold them until maturity.
- The targeted Noteholder under the Note Programme are institutional investors and the terms under the Tranches under the Note Programme are privately negotiated with the investors with a view of keeping the cost of funding competitive from the Issuer's standpoint.
- Disclosure of the Interest Rate Margin could potentially have a negative impact
- on the overall cost of funding related to the working capital facilities of the Group outside of Mauritius

After reviewing the request, the LEC granted a waiver not to disclose the Interest Rate Margin in the published APS.

The details on the Interest Rate Margin is available upon request made to the Company.

PARTIES

Issuer	Premium Tobacco Holdings Limited
Arranger	Safyr Capital Partners Ltd

Guarantor	Premium Tobacco International DMCC (Company No. DMCC 2727), a company incorporated in Dubai, UAE
Calculation Agent	SBM Fund Services Ltd
Issuing and Paying Agent	SBM Fund Services Ltd

DESCRIPTION OF THE NOTES

Status of Notes	Guaranteed Notes (Pari Passu with already issued Tranche 1 Notes) which is guaranteed by Sanlam General Insurance Limited, as per the terms and conditions of the Guarantee annexed thereto and by a Corporate Guarantee from the Guarantor.
Form of Notes	Listed registered Notes listed on the Securities Exchange Mauritius
Aggregate Nominal Amount	USD 20,000,000
Tranche Number	02
Series	1
Interest	Interest-bearing
Interest Payment Basis	Floating Interest Rate
Issue Date	07 February 2025
Specified Denomination	USD 10,000
Specified Currency	USD
Issue Price	100% of the Nominal Amount
Interest Commencement Date	Issue Date
Maturity Date	3 rd anniversary of the Issue Date
Final Redemption Amount	USD 20M
Nominal Amount per Note	USD 10,000
ISIN Number	MU0652D01810
Method of Sale	Privately negotiated agreement without any solicitation

PROVISIONS RELATING TO INTEREST

FLOATING RATE NOTE	Applicable
Floating Rate of Interest	The Issuer shall pay interest on the Notes in accordance with the terms set out in <i>Schedule 1 (Interest Accrual)</i> of this Pricing Supplement.
Reference Rate	SOFR
Margin	Details on the margin are available on request made to the Issuer. Contact on +97144557300.
Maximum Interest Rate	Not Applicable
Minimum Interest Rate	The Margin
Floating Interest Payment Date(s)	Quarterly. On 31 December, 31 March, 30 June and 30 September each year until maturity. The final Floating Interest Payment Date shall be the Maturity Date
Maturity Date	The 3-years Anniversary of the Issue Date
Day Count Fraction	Actual/360 (Floating)
Interest Commencement Date	Issue Date
Party responsible for calculating the Rate of Interest	SBM Fund Services Ltd

REDEMPTION / MATURITY

Issuer's Early Redemption	Not Applicable
Issuer's Optional Redemption	Not Applicable
Other terms applicable on Redemption	<p>Mandatory Prepayment (Illegality): If it becomes unlawful in any applicable jurisdiction for the Noteholder to fund or maintain the Notes then the Noteholder may:</p> <ul style="list-style-type: none"> a) promptly notify the Issuer upon becoming aware of such an event ("Illegality Notice"); and b) the Issuer shall repay the Notes Outstandings on the later of the following: <ul style="list-style-type: none"> i. the date specified in the Illegality Notice; or ii. last day of any applicable grace period permitted by applicable law. <p>Mandatory Prepayment (Sanctions): If any member of the Group is or becomes</p>

a Sanctioned Entity, participates in any manner in any Sanctioned Transaction or is found by a Sanctions Authority to have acted in breach of any Sanctions, the Issuer shall immediately notify the Noteholder (any such notice a "Sanctions Notice") on becoming aware of same and the Noteholder may without prejudice to any other rights or remedies which may be available to it at law or otherwise, declare the Notes Outstandings to be immediately due and payable on the later of the following:

- (i) the date specified in a notice issued by the Noteholder to the Issuer after receipt of the Sanctions Notice; or
- (ii) last day of any applicable grace period permitted by applicable law.

Mandatory prepayment: Exit

For the purpose of this clause:

- a) "acting in concert" means, in respect of any person, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate to obtain or consolidate control of that person.
- b) "Control" means, in relation to any person:
 - (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 50% (fifty percent) of the maximum number of votes that might be cast at a general meeting of that person;
 - (B) the holding beneficially and legally of more than 50% (fifty percent) of the issued share capital of that person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital);

(C) appoint or remove all, or the majority, of the directors or other equivalent officers of that person; or

(D) give directions with respect to the operating and financial policies of that person with which the directors or other equivalent officers of that person are obliged to comply; and/or

(ii) the holding (beneficially or legally) of 50% (fifty percent) or more of the issued share capital of that person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

c) "Control Event" means:

(i) any person or group of persons acting in concert, other than pursuant to the listing of the shares in the Issuer on a public stock exchange, gains direct or indirect Control of the Issuer and/or the Guarantor; or

(ii) there is a change in the legal or beneficial shareholdings of the Issuer (other than pursuant to the listing of the shares in the Issuer on a public stock exchange);

d) "the whole or a greater part" means, at any time and from time to time, assets or businesses of the members of the Group which, in aggregate, directly or indirectly, contribute:

(i) 25% (twenty five percent) or more of total assets (as determined in accordance with IFRS); and/or

(ii) assets which generate 25% (twenty five percent) or more of consolidated EBITDA (as determined in accordance with IFRS) of the Group,

in each case of the Issuer, as determined by reference to the Issuer's most recent set of (i) annual audited consolidated financial statements; or (ii) consolidated

	<p>management accounts, delivered to the Noteholder under this Pricing Supplement.</p> <p>e) If, at any time a Control Event occurs and/or a disposal of the whole or a greater part of the business or assets of any member of the Group occurs, then the Issuer shall promptly notify the Noteholder of the same (any such notice, a "Control Notice") and the Noteholder may declare the Notes Outstandings to be immediately due and payable, whereupon all such amounts shall become immediately due and payable, no earlier than the date falling 30 (thirty) days from and including the date of the Control Notice.</p>
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GENERAL

Method of distribution	Not Applicable
Governing law	Republic of Mauritius
Use of proceeds	<p>The proceeds of the Notes will be used for general corporate purposes detailed as follows:</p> <ul style="list-style-type: none"> a) b) The issuer's main objectives is to be flexible and to be able to make quick decisions in the market they operate, therefore the need for a working capital that would allow less reliance on the traditional existing structured trade finance facilities which in turn increase the Issuer's sales and profitability. c) To provide the necessary working capital to significantly increase the production of renewable biomass utilizing its existing farmer base in Africa into a commercially viable product within both local and export markets. d) To invest in additional or updated machinery required for the cut rag operation in the UAE to improve quality and processing capacity to meet customer demand.
Additional Information	
Financial Condition	The Issuer shall ensure that:

(a) Tangible Equity: the Tangible Equity is, at all times during the Notes Duration, at least USD 100,000,000 (one hundred million US Dollars) (or its equivalent in any other currency or currencies);

(b) Interest Cover Ratio: the Interest Cover Ratio in respect of any Relevant Period shall at all times exceed 2.00:1.00.;

(c) Senior Leverage Ratio: the Senior Leverage Ratio in respect of any Relevant Period shall not exceed 7.50:1;

(d) Current Ratio: the Current Ratio is at all times not be less than 1.00:1.00;

(e) Total Debt to Tangible Equity Ratio: the Total Debt to Tangible Equity, in respect of any Relevant Period shall not exceed 3.50:1.00

For this section:

“Borrowings” means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of members of the Group for or in respect of: (a) moneys borrowed and debit balances at banks or other financial institutions; (b) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent); (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) any Finance Lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for de-recognition under IFRS); (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition; (g) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Termination Date or are otherwise classified

as borrowings under IFRS; (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply; (i) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under IFRS; (j) any other amount owed on account of another form, type or category of Financial Indebtedness; and (k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in the preceding paragraphs.

“Capital Expenditure” means any expenditure or obligation in respect of expenditure (other than expenditure or obligations in respect of the acquisition of a company, business or undertaking (or any interest in the same) which, in accordance with IFRS, is treated as capital expenditure

“Cash” means, at any time, cash denominated in US Dollars, Euro, Pound Sterling in hand or at bank and (in the latter case) credited to a bank account in the name of a member of the Group and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as: (a) that cash is repayable on demand; (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition; (c) there is no Security over that cash (save in favour of the Noteholder under the Transaction Documents); and (d) the cash is freely and immediately available to be applied in repayment or prepayment of the Notes Outstandings.

"Cash Equivalent Investments" means at any time: (a) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security; (b) commercial paper not convertible or exchangeable to any other security: (i) for which a recognised trading market exists; (ii) issued by an issuer incorporated in the United States of America or the United Kingdom; (iii) which matures within one year after the relevant date of calculation; and (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating; or (c) any other debt security approved by the Noteholder, in each case, denominated US Dollars, Euro, Pound Sterling or any other currency approved by the Noteholder and to which any member of the Group is alone (or together with other members of the Group beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Documents)).

"Consolidated Current Assets" means the aggregate consolidated amount of all assets of members of the Group realisable in the ordinary course of business within 12 months of such day which would be shown (in accordance with IFRS at that time) as Current Assets on a consolidated balance sheet of the Issuer.

"Consolidated Current Liabilities" means the aggregate consolidated amount of all liabilities of members of the Group payable within 12 months of such date which would be shown (in accordance with IFRS at that

time) as Current Liabilities on a consolidated balance sheet of the Issuer.

“Current Assets” means the aggregate (on a consolidated basis) of all inventory, work in progress, trade and other receivables of each member of the Group including prepayments in relation to operating items and sundry debtors (but excluding Cash and Cash Equivalent Investments) expected to be realised within twelve months from the date of computation but excluding amounts in respect of: (a) receivables in relation to tax; (b) Exceptional Items and other non-operating items; (c) insurance claims; and (d) any interest owing to any member of the Group.

“Current Liabilities” means the aggregate (on a consolidated basis) of all liabilities (including trade creditors, accruals and provisions) of each member of the Group expected to be settled within twelve months from the date of computation but excluding amounts in respect of: (a) liabilities for Borrowings and Finance Charges; (b) liabilities for tax; (c) Exceptional Items and other non-operating items; (d) insurance claims; and liabilities in relation to dividends declared but not paid by a member of the Group in favour of a person which is not a member of the Group.

“Current Ratio” means the ratio of Consolidated Current Assets to Consolidated Current Liabilities

“EBITDA” means, in respect of any Relevant Period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations): (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Group (calculated on a consolidated basis) in respect of that Relevant Period; (b) not including any accrued interest owing to any member of the Group; (c) after adding back any amount attributable to the amortisation,

depreciation or impairment of assets of members of the Group (and taking no account of the reversal of any previous impairment charge made in that Relevant Period);

“Exceptional Items” means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on: (a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring; (b) disposals, revaluations, write downs or impairment of noncurrent assets or any reversal of any write down or impairment; and (c) disposals of assets associated with discontinued operations.

“Finance Charges” means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Borrowings paid or payable by any member of the Group (calculated on a consolidated basis) in cash in respect of that Relevant Period: (a) including any upfront fees or costs; (b) including the interest (but not the capital) element of payments in respect of Finance Leases; (c) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Group under any interest rate hedging arrangement; and (d) taking no account of any unrealised gains or losses on any derivative or other financial instruments, together with the amount of any cash dividends or Distributions paid or made by the Issuer in respect of that Relevant Period and so that no amount shall be added (or deducted) more than once.

“Finance Lease” means any lease or hire purchase contract, a liability under which would, in accordance with IFRS, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with IFRS as applied to the Original Financial Statements have been treated as an operating lease).

“Financial Quarter” means each period commencing on the day after one Relevant Date and ending on the next Relevant Date

“Financial Year” means the annual accounting period of the Group ending on or about 30 March in each year.

“Interest Cover Ratio” means, in any Relevant Period, the ratio of EBITDA for that Relevant Period to Net Interest Charges.

“Net Interest Charges” means, in respect of any Relevant Period, the interest expense, for the Relevant Period, minus interest income, for that same Relevant Period.

“Non-Group Entity” means any investment or entity (which is not itself a member of the Group (including associates)) in which any member of the Group has an ownership interest.

“Relevant Date” means each of 30 March, 30 June, 30 September and 31 December.

“Relevant Period” means each period of twelve months, ending on or about the last day of the Financial Year and each period of twelve months ending on or about the last day of each Financial Quarter.

“Senior Leverage Ratio” means, in respect of any Relevant Period, the ratio of Total Debt as at the last day of that Relevant Period to EBITDA in respect of that Relevant Period.

“Shareholder Subordinated Debt” means any Borrowings owed by a member of the Group to any person holding (directly or indirectly) an ownership interest in any of the share capital of any member of Group where: (a) no amount is scheduled to become due and payable prior to the date falling three months after the Termination Date; and (b) the liabilities of any member of the Group in respect of such Borrowings are subordinated to the liabilities of the Issuer to the Noteholder under the Transaction Documents on terms acceptable to the Noteholder; and (c) the Issuer has provided

to the Noteholder, not less than 15 days prior to the incurrence by any member of the Group of such Borrowings, details of the purpose toward which the proceeds will be applied.

“Shareholders’ Equity” means, at any time, the aggregate of: (a) the amount paid up or credited as paid up on the issued share capital of the Issuer as shown in the Issuer’s consolidated financial statements; and (b) the aggregate amount of the consolidated reserves (including retained earnings) of the Issuer as shown in the Issuer’s consolidated financial statements, but adjusted by: (i) adding any credit balance on the profit and loss account of the Issuer (to the extent not included in paragraph (b) above) or, as the case may be, deducting any debit balance on the profit and loss account of the Issuer as shown in the Issuer’s consolidated financial statements; and (ii) deducting any dividend or other Distribution declared, recommended or made by the Issuer out of profits earned up to and including the date of the last balance sheet of the Issuer to the extent that such Distributions are not provided for in the latest balance sheet of the Issuer as shown in the Issuer’s consolidated financial statements.

“Tangible Equity” means, for any Relevant Period, Shareholders’ Equity minus revaluation reserves, deferred tax and intangible assets of the Issuer.

“Termination Date” means the third anniversary of the Issue Date.

“Total Debt” means, at any time, the aggregate amount of all obligations of members of the Group for or in respect of Borrowings at that time but: (a) excluding any such obligations to any other member of the Group or in respect of Shareholder Subordinated Debt; and (b) including, in the case of Finance Leases only, their capitalised value, and so that no amount shall be included or excluded more than once.

“Working Capital” means, on any date, Current Assets less Current Liabilities.

Net Proceeds – Tranche 2 Series 1

Net Proceeds	USD
Proceeds from sale of Notes	20,000,000
Cost related to issue of Guarantees	1,660,150
Professional Fee	302,000
SEM Listing Fees	5,365
Funds available to the Issuer	18,032,485

Important Dates

Notification of allotments	07 February 2025
Issue of Notes	07 February 2025
Listing of Notes on the SEM	11 March 2025

Notes:

- (1) All times quoted are local time in Mauritius.
- (2) The above dates and times are subject to amendment. Any such amendment will be communicated accordingly.

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in this document, there has been no significant change in the financial, trading position or prospects of the Issuer since 31 March 2024.

RESPONSIBILITY:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement and the Listing Particulars except as otherwise stated herein. To the best of the knowledge and belief of the Issuer the information contained in this Applicable Pricing Supplement and the Listing Particulars is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement and the Listing Particulars contains all information required by Applicable Law. The Issuer accepts full responsibility for the information contained in the Listing Particulars, the Pricing Supplements and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.



.....
Paul Gardiner



.....
Andre Konzen

PREMIUM TOBACCO HOLDINGS LIMITED

(Registered Company Number 517245)

Registered Office: Craigmuir Chambers, Road Town,

Tortola, VG 1110 British Virgin Islands

SCHEDULE 1

1. Definitions

For the purposes of this Schedule, capitalised terms and expressions used shall bear the same meanings as are ascribed to them in this Applicable Pricing Supplement, and the following terms shall have the following meanings set out below:

"Break Costs" means the amount (if any) by which: (i) the interest which a Noteholder should have received for the period from the date of receipt of all or any part of its participation in the relevant Note or Unpaid Sum to the last day of the current Interest Period in respect of that Note or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period, exceeds (ii) the amount which that Noteholder would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the day following receipt or recovery and ending on the last day of the current Interest Period.

"CME Term SOFR" means the Term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

"Fallback Interest Period" means one or three months, as the Noteholder may select;

"Historic CME Term SOFR" means, in relation to a Note, the most recent applicable CME Term SOFR for a period equal in length to the Interest Period of that Note and which is a day which is no more than two US Government Securities Business Days before the Quotation Day.

"Interpolated Historic CME Term SOFR" means, in relation to any Note, the rate (rounded to the same number of decimal places as CME Term SOFR) which results from interpolating on a linear basis between: (i) either: (A) the most recent applicable CME Term SOFR (as of a day which is not more than three US Government Securities Business Days before the Quotation Day) for the longest period (for which CME Term SOFR is available) which is less than the Interest Period of that Note; or (B) if no such CME Term SOFR is available for a period which is less than the Interest Period of that Note, the most recent SOFR for a day which is no more than [three US Government Securities Business Days (and no less than two US Government Securities Business Days) before the Quotation Day; and (ii) the most recent applicable CME Term SOFR (as of a day which is not more than three US Government Securities Business Days before the Quotation Day) for the shortest period (for which CME Term SOFR is available) which exceeds the Interest Period of that Note.

"Interpolated CME Term SOFR" means, in relation to any Note, the rate (rounded to the same number of decimal places as CME Term SOFR) which results from interpolating on a linear basis between either (i): (A) the applicable CME Term SOFR (as of the Specified Time) for the longest period (for which CME Term SOFR is available) which is less than the Interest Period of that Note; or (B) if no such CME Term SOFR is available for a period which is less than the Interest Period of that Note, SOFR for [the day which is two US Government Securities Business Days before the Quotation Day; and (ii) the applicable CME Term SOFR (as of the Specified Time) for the shortest period (for which CME Term SOFR is available) which exceeds the Interest Period of that Note.

"Market Disruption Rate" means the Reference Rate.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined two US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant bond or syndicated Note market, in which case the Quotation Day will be determined by the Noteholder in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days)).

"Quoted Tenor" means, in relation to CME Term SOFR, any period for which that rate is customarily displayed on the relevant page or screen of an information service.

"Reference Rate" means, in relation to any Note: (i) the applicable CME Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of that Note; or (ii) as otherwise determined pursuant to this Schedule, and if, in either case, that rate is less than zero, the Reference Rate shall be deemed to be zero.

"Relevant Market" means the market for overnight cash borrowing collateralised by US Government securities.

"SOFR" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"Specified Time" means on or about 11.am London time on the relevant day of determination.

"Unpaid Sum" means any sum due and payable but unpaid by the Issuer under or in connection with the a Note.

"US" means the United States of America.

"US Government Securities Business Day" means any day other than (i) a Saturday or a Sunday; and (ii) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

2. **INTEREST**

2.1. The rate of interest on each Note for an Interest Period is the percentage rate per annum which is the aggregate of the Margin; and applicable Reference Rate.

2.2. The Issuer shall pay accrued interest on each Note to which that Interest Period relates.

2.3. **Default Interest**

2.3.1. If the Issuer fails to pay any amount payable by it under the Note on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is 2% per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Note in the currency of the overdue amount for successive Interest Periods, each of a duration selected by

the Noteholder (acting reasonably). Any interest accruing under this clause shall be immediately payable by the Issuer on demand by the Noteholder.

2.3.2. If any overdue amount consists of all or part of a Note and which became due on a day which was not the last day of an Interest Period relating to that Note then the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Note, and the rate of interest applying to the overdue amount during that first Interest Period shall be 2% per annum higher than the rate which would have applied if the overdue amount had not become due.

2.3.3. Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

2.4. Notifications

2.4.1. The Noteholder shall promptly notify the Issuer of the determination of a rate of interest relating to a Note.

2.4.2. This Clause 2.4 shall not require the Noteholder to make any notification to any person on a day which is not a Business Day.

2.5. Changes to the calculation of interest

2.5.1. Unavailability of CME Term SOFR

2.5.1.1. Interpolated CME Term SOFR: If no CME Term SOFR is available for the Interest Period of a Note, the applicable Reference Rate shall be the Interpolated CME Term SOFR for a period equal in length to the Interest Period of that Note.

2.5.1.2. Shortened Interest Period: If no CME Term SOFR is available for the Interest Period of a Note and it is not possible to calculate the Interpolated CME Term SOFR, the Interest Period of that Note shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable Reference Rate for that shortened Interest Period shall be determined pursuant to the definition of "Reference Rate".

2.5.1.3. Shortened Interest Period and Historic CME Term SOFR: If the Interest Period of a Note is, after giving effect to the foregoing sub-

clauses either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no CME Term SOFR is available for the Interest Period of that Note and it is not possible to calculate the Interpolated CME Term SOFR, the applicable Reference Rate shall be the Historic CME Term SOFR for that Note.

2.5.1.4. Shortened Interest Period and Interpolated Historic CME Term SOFR: If Clause 2.5.1.3 applies but no Historic CME Term SOFR is available for the Interest Period of the Note, the applicable Reference Rate shall be the Interpolated Historic CME Term SOFR for a period equal in length to the Interest Period of that Note.

2.5.1.5. If Clause 2.5.1.4 applies but no Interpolated Historic CME Term SOFR is available for the Interest Period of the Note, Clause 2.7 (*Cost of funds*) shall apply to that Note for that Interest Period.

2.6. **Market disruption**

If the Noteholder's Cost of Funds relating to its participation in a Note would be in excess of the Market Disruption Rate then Clause 2.7 (*Cost of funds*) shall apply to that Note for the relevant Interest Period.

2.7. **Cost of funds**

2.7.1. If this Clause 2.7 applies to a Note for an Interest Period then Clause 2.1 (Calculation of interest) shall apply to that Note for that Interest Period and the rate of interest on each Noteholder's share of that Note for that Interest Period shall be the percentage rate per annum which is the sum of (i) the Margin; and (ii) the rate notified to the Issuer by the Noteholder as soon as practicable, to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in that Note.

2.7.2. If this Clause 2.7 applies and the Noteholder or the Issuer so requires, the Noteholder and the Issuer shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.

2.8. **Break Costs**

2.8.1. The Issuer shall, within three Business Days of demand by the Noteholder, pay to the Noteholder its Break Costs (if any) attributable to all or any part of that

Note or Unpaid Sum being paid by that Issuer on a day prior to the last day of an Interest Period for that Note or Unpaid Sum.

- 2.8.2. The Noteholder shall, as soon as reasonably practicable after a demand by the Noteholder, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

2.9. Day count convention and interest calculation

Any interest, commission or fee accruing under a Note will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

