Prospectus dated 23 June 2020

Bupa Finance plc

(Incorporated with limited liability in England and Wales with Registered no. 02779134, legal entity identifier ZIMCVQHUFZ8GVHENP290)

£300,000,000
1.750 per cent. Notes due 2027

unconditionally and irrevocably guaranteed by

The British United Provident Association Limited

(Incorporated with limited liability in England and Wales with Registered no. 00432511, legal entity identifier 549300T5K5C5DBHXMC67)

Issue price: 99.694 per cent.

The £300,000,000 1.750 per cent. Notes due 2027 (the "Notes") will be issued by Bupa Finance plc (the "Issuer") and unconditionally and irrevocably guaranteed (the "Guarantee") by The British United Provident Association Limited ("Bupa" or the "Guarantor") and will be constituted by a trust deed (as amended or supplemented from time to time, the "Trust Deed") to be dated on or about 25 June 2020 (the "Issue Date") between the Issuer, the Guarantor and the Trustee (as defined in "Terms and Conditions of the Notes" (the "Conditions", and references herein to a numbered "Condition" shall be construed accordingly)).

Application has been made to the United Kingdom Financial Conduct Authority (the "FCA") under Part VI of the Financial Services and Markets Act 2000, as amended (the "FSMA") for the Notes to be admitted to the official list of the FCA (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "Market"). References in this Prospectus to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU, as amended ("MIFID II").

This Prospectus has been approved by the FCA, which is the United Kingdom ("UK") competent authority, under Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as (a) an endorsement of the Issuer or the Guarantor that are the subject of this Prospectus; or (b) an endorsement of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Interest on the Notes is payable in equal instalments (except in relation to the short first coupon) semi-annually in arrear on 14 June and 14 December in each year. The first payment of interest will be made on 14 December 2020 in respect of the period from (and including) the Issue Date to (but excluding) 14 December 2020. Payments on the Notes will be made without deduction for or on account of UK taxes to the extent described under "Terms and Conditions of the Notes - Taxation".

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed on 14 June 2027 (the "Maturity Date") at their principal amount together with accrued and unpaid interest thereon. In accordance with Condition 5(b), the Issuer may redeem all (but not some only) of the Notes at their principal amount together with accrued and unpaid interest thereon in the event of certain changes affecting taxation. In accordance with Condition 5(c), the Issuer may redeem all (but not some only) of the Notes during the period of three months immediately prior to the Maturity Date at their principal amount together with accrued and unpaid interest thereon. In accordance with Condition 5(d), if, at any time after the Issue Date, 80 per cent. or more of the aggregate principal amount of the Notes originally issued have been purchased by the Issuer (or any of its Subsidiaries (as defined in the Conditions)) and cancelled pursuant to the Conditions, then the Issuer may redeem all (but not some only) of the Notes at their principal amount together with accrued and unpaid interest thereon. In accordance with Condition 5(e), the Issuer may, at any time prior to the date falling three months prior to the Maturity Date, redeem all (and not some only) of the Notes at the Make Whole Redemption Amount (as defined in the Conditions), together with any accrued and unpaid interest to the date of redemption.

The Notes will constitute unsecured obligations (subject to Condition 3) of the Issuer and the Guarantee will constitute unsecured obligations (subject to Condition 3) of the Guarantor. See "Terms and Conditions of the Notes — Guarantee and Status".

The Notes will initially be represented by global Notes in new global note ("NGN") form, which will be deposited with a common safekeeper for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") on or about the Issue Date. Definitive Notes will be issued only in the limited circumstances described in the permanent global note - see "Overview of the Notes while in Global Form". The denominations of the Notes shall be £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000 each.

An investment in the Notes involves certain risks. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

The Notes are expected, on issue, to be rated "A3" and "BBB+" by Moody's Investors Service Ltd. ("Moody's") and Fitch Ratings Ltd. ("Fitch"), respectively. Each of Moody's and Fitch is established in the UK and registered under Regulation 1060/2009/EC (the "CRA Regulation"). As such, each of Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/supervision/credit-

rating-agencies/risk) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Joint Lead Managers

Barclays	**BNP PARIBAS**	**HSBC**

Standard Chartered Bank

IMPORTANT NOTICES

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect the import of such information.

Any information contained in this Prospectus which has been sourced from a third party has been accurately reproduced and, as far as the Issuer and the Guarantor are aware and are able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*" below) and shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

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

The Joint Lead Managers and the Trustee have not separately verified the information contained in this Prospectus. Neither the Joint Lead Managers nor the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes. None of the Joint Lead Managers or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes or their distribution. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes is intended to constitute, and should not be considered as, a recommendation by any of the Issuer, the Guarantor, the Joint Lead Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Joint Lead Managers or the Trustee undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to their attention.

In the ordinary course of business, each of the Joint Lead Managers has engaged and may in the future engage in normal banking or investment banking transactions with the Issuer, the Guarantor and their affiliates or any of them.

OFFER RESTRICTIONS

Neither this Prospectus nor any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes constitutes an offer of, or an invitation by or on behalf of, the Issuer or the Guarantor or the Joint Lead Managers or the Trustee or any of them to subscribe for, or purchase, any of the Notes (see "*Subscription and Sale*" below). This Prospectus does not constitute an offer to sell to, or the solicitation of an offer to buy the Notes in any jurisdiction from, any person to or from whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Trustee and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Trustee or the Joint Lead Managers or any of them which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States (the "**U.S.**") and the UK. Persons in receipt of this Prospectus are required by the Issuer, the Guarantor, the Trustee and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of this Prospectus, see "*Subscription and Sale*" below.

Neither the Notes nor the Guarantee have been, and they will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons, as defined in Regulation S under the Securities Act. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

MIFID II Product Governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, references in this paragraph to "manufacturer" do not refer to the Issuer or to the Guarantor, who are not subject to MiFID II.

PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or the UK. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

SUITABILITY OF INVESTMENT

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

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

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

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

(IV) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

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

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Global Notes (as defined in "*Overview of the Notes while in Global Form*" below) are intended to be held in a manner which would allow Eurosystem eligibility. This means only that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that all the Eurosystem eligibility criteria have been met.

In this Prospectus, unless otherwise specified, all references to:

"**pounds**", "**sterling**", and "**£**" are to the lawful currency of the UK;

"**Euro**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and

"**SAR**" are to the lawful currency of the Kingdom of Saudi Arabia.

FORWARD-LOOKING STATEMENTS

This Prospectus and the information incorporated by reference in this Prospectus include certain "forward-looking statements". Statements that are not historical facts, including statements about the beliefs and expectations of the Issuer, the Guarantor and their subsidiaries (the "**Group**") and their respective directors or management, are forward-looking statements. Words such as "believes", "anticipates", "estimates", "expects", "intends", "plans", "aims", "potential", "will", "would", "could", "considered", "likely", "estimate" and variations of these words and similar future or conditional expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur, many of which are beyond the control of the Issuer, the Guarantor or the Group and all of which are based on their current beliefs and expectations about future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer, the Guarantor or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Issuer, the Guarantor and the Group and the environment in which the Issuer, the Guarantor and the Group will operate in the future. These forward-looking statements speak only as at the date of this Prospectus.

Except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules or any other applicable law or regulation, each of the Issuer and the Guarantor expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements contained in this Prospectus or incorporated by reference into this Prospectus to reflect any change in the expectations of the Issuer or the Guarantor with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

STABILISATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, HSBC BANK PLC (THE "**STABILISATION MANAGER**") (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents (or sections of such documents) which have been previously published or are published simultaneously with this Prospectus and which have been approved by the Financial Conduct Authority or filed with it:

1. the audited consolidated annual financial statements of the Issuer for the year ended 31 December 2019 (including the audit report thereon and the notes thereto) available at: https://www.bupa.com/~/media/files/site-specific-files/our-performance/pdfs/financial-results-2019/bupa-finance-plc-2019.pdf;

2. the audited consolidated annual financial statements of the Issuer for the year ended 31 December 2018 (including the audit report thereon and the notes thereto) available at: https://www.bupa.com/~/media/files/site-specific-files/our-performance/pdfs/financial-results-2018/bupa-finance-plc-2018.pdf;

3. the annual report and accounts of the Guarantor for the year ended 31 December 2019, including the audited consolidated annual financial statements of the Issuer for the year ended 31 December 2019 (including the audit report thereon and the notes thereto) available at: https://www.bupa.com/~/media/files/site-specific-files/our-performance/pdfs/financial-results-2019/annual-report-and-accounts-2019.pdf;

4. the annual report and accounts of the Guarantor for the year ended 31 December 2018, including the audited consolidated annual financial statements of the Issuer for the year ended 31 December 2018 (including the audit report thereon and the notes thereto) available at: https://www.bupa.com/~/media/files/site-specific-files/our-performance/pdfs/financial-results-2018/annual-report-and-accounts-2018.pdf; and

5. the Solvency and Financial Condition Report of the Group for the year ended 31 December 2019 available at: https://www.bupa.com/~/media/files/site-specific-files/our-performance/pdfs/regulatory-reports/full-year-2019/bupa-group-solvency-financial-condition-report.pdf.

The documents referred to above shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus prior to the issue date which is capable of affecting the assessment of the Notes, prepare a supplement to this Prospectus. The Issuer has undertaken to the Joint Lead Managers that it will comply with section 87G of the FSMA.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in London.

Copies of documents incorporated by reference in this Prospectus are also available for viewing on the website of the Issuer at https://www.bupa.com/corporate/our-performance/financial-results.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. The parts of the above-mentioned documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere within this Prospectus.

RISK FACTORS

The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their respective obligations under the Notes. Most of these factors are contingencies, which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, risk factors which are specific to the Notes and factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Prospectus are described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Risks expressed as affecting the Group should, unless otherwise indicated, be taken to affect the Issuer and the Guarantor.

Factors that may affect the Issuer's or the Guarantor's ability to fulfil their obligations under the Notes and the Guarantee

1. Risks related to business activities and industry

Insurance risk

The Group's insurance businesses face the risk that unexpected variations in the frequency, size or timing of claims will lead to reductions in financial returns. By virtue of being in the healthcare business, the Group is exposed to a number of factors affecting its insurance risk. These include macroeconomic trends, increases in medical inflation, shifts in demographics, changes in population health, developments in healthcare delivery and technology, and statistical fluctuations.

The Group manages these risks by the use of advanced analytic models of products and pricing controls on underwriting and claims settlement, policy clarity and contract certainty, internal and external actuarial reviews and, in selected circumstances, the use of reinsurance to transfer risk. The Group's insurance business is for short-term medical costs, enabling regular re-pricing in the event of changes in claims trends. However, there can be no assurance that the insurance risks which the Group faces will not materialise.

Failure to anticipate changes in the factors affecting its insurance risk, failure to appropriately price insurance products or failure to rectify deficiencies in the assumptions or actuarial models employed by the Group could mean that the claims experience is less favourable than the Group's underlying assumptions, which could lead to a shortfall in technical reserves against actual claims costs, which could in turn adversely affect the Group's cash flow, profitability and financial position.

Provider and medical claims costs

The Group's insurance customers benefit from services procured from a wide range of providers including hospitals and consultants. In the face of inflationary pressures, and medical claims costs increasing at a rate higher than inflation in some markets, there is a risk that increasing provider charges will lead to substantial increases in premium rates and customer dissatisfaction, which could result in a loss of customers which could in turn adversely impact the Group's revenue and profitability.

The Group's policy is to work with its providers to maintain and improve quality while containing the cost of procuring medical services. This includes, where possible, the use of contracts, preferred supplier arrangements and case management techniques. While the Group seeks to mitigate the risks of rising costs, there can be no assurance that inflationary pressures will ease, that the mitigating steps taken by the Group will be effective, or that rising costs will not result in a loss of customers which could in turn adversely impact the Group's revenue and profitability.

Competition risk

Private medical insurance and care provision markets are increasingly competitive and there are many factors which affect the Group's ability to sell products ahead of its competitors. These include price, financial strength, credit ratings, range of products, product quality and brand strength and brand recognition. In some of the Group's markets, the Group faces competitors that are larger, have greater financial resources or a greater market share, offer a broader range of products or have higher claims-paying ratios. Effective competition among healthcare providers is an essential mechanism for controlling price inflation. The Group keeps its competitive position in each of its markets under continuous scrutiny and regularly reviews strategic and tactical objectives. The Board and senior management monitor performance via key indicators such as trend data, customer satisfaction results and monthly financial results.

Any failure by the Group to offer competitive products in terms of price or perceived value or any greater success or perceived success of the Group's competitors in competing effectively could adversely affect the Group's competitive position and could result in a loss of revenue and an adverse effect on the Group's results of operations.

2. Legal and regulatory risk

Political risk

Healthcare policy and the role of the private sector in the Group's key markets is subject to ongoing review by governmental authorities and to changes as a result of political decisions. Increased geopolitical volatility and a shift towards more nationalistic policies may adversely affect demand for the Group's products. There is a risk that changes such as reduced or reprioritised public spending on private sector healthcare may have adverse consequences for the Group's business, results of operations and financial condition. The Group also operates in some emerging markets where there is the risk that political changes may be more frequent and may have a more profound effect on the Group. Two of the key markets within which the Group operates both insurance and provisions operations, Hong Kong and Chile, have recently experienced periods of social unrest, which had a negative impact on revenue in these businesses and operational challenges to ensure sites and offices were able to remain open while ensuring the safety of our customers and people.

In Australia and Chile, the government must approve premium increases before any such premium increase comes into effect. The premium increases which have been approved in the Australian health insurance market over the last two years have been lower than claims inflation, whilst there have been delays in the approval of premium increases by the government in Chile. Restricted premium increases and delays in the approval of premium increases may have an adverse effect on the Group's results of operations.

As part of its strategic planning process, the Group regularly considers the impact of possible political changes on its business model. The Group seeks to maintain a constructive dialogue with government officials in its main areas of operation, promoting the benefits of high quality private healthcare alongside public provision. Although the Group's operations are geographically diversified, there can be no assurance that there will not be a change in healthcare policy in any of the markets in which the Group operates. Such changes could mean that the Group may have to withdraw from certain markets, which may result in a reduction in customer numbers and, as a result, a reduction in the Group's revenues.

Regulatory policy risk

The Group operates in a highly regulated business environment. The Group serves customers in a number of countries and the Group is required to comply with differing regulations across its businesses which are enforced by a variety of governments, regulators and supervisory authorities. In the UK, Bupa's principal financial regulators are the Prudential Regulation Authority (the "**PRA**") and the FCA. The Group seeks to operate to the highest regulatory standards and to maintain an awareness of and, where possible, anticipate regulatory change.

However, the Group is unable to predict the content of new legislation or regulations and the Group could therefore be affected by changes in financial, clinical, medical or health and safety regulations in a number of countries. It is unclear how the ongoing COVID-19 (as defined below) pandemic will affect future legislation or regulations and the impact potential changes may have on the Group. Changes in legislation or regulations could affect the way the Group carries out business and in certain cases might increase the Group's costs or reduce the Group's revenues. Any new legislation or regulations or increases in costs or reductions in revenues could adversely impact the Group's product range, distribution channels and results of operations and could increase the capital financing requirements of the Group.

*UK exit from the European Union ("**EU**")*

On 31 January 2020, the UK left the EU (otherwise referred to as "**Brexit**"). Under the terms of the UK-EU article 50 withdrawal agreement there is now an implementation period in effect until 31 December 2020, during which time the UK will no longer be a member of the EU but will continue to be subject to the EU rules and regulations and remain a member of the single EU market and customs union. Access to goods, services and travel will be unaffected. The purposes of the implementation period is to enable the UK and EU to negotiate and determine the terms of the future relationship between them.

In Europe, the Bupa Global business relies on passporting rights to undertake cross-border activities between the UK and the EU for the sale of international private medical insurance and travel insurance. The Group has established a new insurance entity in Ireland to allow Bupa Global to serve its customers who are living in the EU but outside of the UK and Ireland. However, given the uncertainty around the exact terms of the future relationship between the UK and the EU after the transition period, there may be negative effects on the Group.

3. Risks related to economic and financial conditions

Property risk

The Group has a significant property portfolio, much of which is primarily connected to its care homes businesses. The Group generally seeks to own rather than rent property, which reduces the cost of lease commitments but leaves the Group exposed to falls in property values. The Group manages this risk by factoring property risk into any acquisition appraisal. In addition, the broad geographic spread of the Group's business means that its property risk is spread across a variety of property markets. Care home valuations are based on their trading potential based on discounted cashflow techniques. However, devaluations of the Group’s property portfolio could, in turn, have an adverse effect on the Group’s financial condition and results of operations.

Exchange rate risk

The Group is exposed to exchange rate risk as a consequence of its trading and operating activities in different countries. The Group is exposed to the risk of losses arising from adverse and/or volatile movements in exchange rates, in particular the Australian dollar and Euro to sterling exchange rate. Indeed, the effect of exchange rate fluctuations on local operating results could lead to significant fluctuations in the results reported in the Group’s consolidated financial statements upon translation of the Group’s results into sterling. Although the Group takes certain actions to address this risk, foreign currency exchange rate fluctuation could materially adversely affect the Group’s reported results due to unhedged positions or the failure of hedges to effectively offset the impact of the foreign currency exchange rate fluctuation. If the Group were to suffer substantial losses due to exchange rate volatility, it may adversely affect the Group’s solvency capital ratios, results of operations and financial condition.

Economic market conditions

Challenging economic conditions increase the risks faced by the Group. Rising inflation, prolonged periods of low interest rates, credit rating reductions for investment counterparties and reduced growth in the markets in which the Group’s public sector and private sector customers are based exposes the Group to the risks of reduced results of operations and increased financial counterparty risk.

Factors such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, and inflation all affect the business and economic environment in which the Group operates and, ultimately, the revenues and profitability of the Group's business. In an economic downturn characterised by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for the Group’s insurance products could be adversely affected, in particular as a result of reductions by the Group’s corporate customers. The Group's individual and corporate policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. These adverse changes in the economy could negatively affect the revenues of the Group and could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group seeks to minimise the impact of external economic events through the diversified nature of its operations. The Group’s governance structures and policies seek to protect the business from excessive exposure to specific external risks while seeking to achieve growth targets. Management teams are responsible for considering the potential impact of macroeconomic events in terms of impacts on their business plans, including the use of stress testing to consider potential consequences of specific events. However, there can be no assurance that the Group’s operations are effectively diversified against the risk of global economic stagnation or downturn, any deterioration in economic conditions or any continuation of challenging economic conditions.

Investment risk

The Board sets the overall investment framework under which the business units operate local investment committees. Local level investment committees are in place in the key regulated insurance businesses within the Group and set investment strategy within the Group’s approved framework. The Group Treasury department in London supports the business units with investment activities.

The majority of the Group's financial investments are held in cash and cash like instruments with highly rated credit institutions. Counterparty limits are set to avoid excessive exposure to a single counterparty and ensure that assets are properly diversified. Where possible, deposits are not placed with institutions rated less than A/A2 by any two of the three main international credit rating agencies. The investment income earned on these assets is exposed to interest rate movements at reinvestment.

The Group also holds a relatively small return-seeking asset portfolio, which is exposed to market pricing volatility. The portfolio is managed within a risk budget framework, which measures risk using Value at Risk methodology. At times of market stress or dislocation, the investment techniques employed may become less effective in mitigating adverse investment performance.

Failure to manage financial investments, restricted financial assets and cash and cash equivalents (valued in total at £3.7 billion at 31 December 2019) effectively could result in financial losses or lead to returns that are not competitive, which may result in the Group having to find alternative sources of capital, and which would also have an adverse impact on the Group's business, results of operations and financial condition.

Liquidity risks

The Group needs to maintain good access to a variety of funding sources to ensure that short-term and long-term liquidity is maintained to support current operations and future growth. The Group's principal sources of funding are debt financing and retained earnings.

The Group supports its current operations and future growth from a combination of internally generated profits and externally raised debt. To ensure appropriate diversification of funding risk, the Group has accessed a variety of debt capital markets to support its growth. These currently include the bank debt market and the senior and subordinated (hybrid) bond market.

The Group is committed to maintaining an appropriate investment grade credit rating with major credit rating agencies and closely targets key financial ratios, such as gearing and interest cover. Any inadequacy of the Group's funding policies, failure to maintain such an investment grade credit rating and reduced availability of funding sources could lead to increased funding costs or to the inability of the Group to refinance its borrowings, any of which could adversely affect the Group's liquidity and financial flexibility, which, given the Group's reliance on debt financing and retained earnings for its funding requirements, could adversely affect the Group's business, results of operations and financial condition.

Pension funding risk

Bupa has significant defined benefit pension obligations relating to its UK business. Estimates of the amount and timing of any future funding requirements for the schemes are based on actuarial assumptions and other factors, including the actual and projected market performance of the scheme assets, future long-term bond yields, average life expectancies and relevant legal requirements.

Actual performance of scheme assets may be affected by volatility in debt and equity markets. Bupa's UK defined benefit pension scheme is closed to new entrants, however, changes to these assumptions and other factors may require the Group to make additional contributions to its pension scheme. In the event that a significant funding deficit were to arise, the funding position would need to be discussed with the pension scheme trustees to agree appropriate actions, which may include a plan to fund any such deficit over a number of years. A requirement to make significant additional funding contributions could adversely affect the Group's business, results of operations and financial condition.

Capital and solvency risk

The Group must comply with the provisions of the EU Solvency II legislation, which came into effect on 1 January 2016. It prescribes how the assets and liabilities comprising capital are to be valued and requires the Group to hold capital to at least the level of its Solvency Capital Requirement ("**SCR**"). The Group's SCR is calculated in accordance with the Standard Formula specified in the Solvency II legislation. The Group has obtained approval from the regulators to substitute the insurance premium risk parameter in the formula with a Group Specific Parameter which reflects the Group's own loss experience and the fact that the Group's size, experience and geographic diversification reduces the level of premium risk.

The Group as a whole, as well as individual insurance entities within the Group, seek to maintain a prudent capital surplus over and above the applicable regulatory capital requirements. The level of target surplus is regularly reviewed by the Board as part of its assessment of its capital risk appetite and in light of regulatory changes and the effect on ongoing business activities.

It is possible that the Group's capital requirements may increase as a result of changes to the Solvency II or other related legislation or their interpretation.

A failure by the Group to comply with the measures required by Solvency II in a timely manner could lead to regulatory action and could have a material adverse effect on the Group and the Group's business, results of operations and financial condition.

4. Social and environmental risks

Pandemic

The outbreak of the novel strain of the coronavirus ("**COVID-19**") and the shutdowns and other restrictive measures implemented by authorities around the world in an attempt to contain the spread of the disease have led to an economic downturn in many countries, as well as increased volatility in financial and other markets. The severity and duration of the resulting adverse impact on the global economy and on the value of investment assets is currently uncertain and there is no certainty that measures to restrict spread of the disease or to mitigate its impacts will be effective. Please see the section titled "*Recent Developments*" for further information regarding the effect of COVID-19 on the Group.

As the Group is a major health and care provider, the COVID-19 pandemic and other potential pandemics could have a significant impact on the Group's operations. A pandemic could present the Group's care homes, hospitals and dental clinics with operational difficulties in maintaining an adequate staffing profile and protecting residents and patients, in addition to disrupting normal business activities across the organisation. Government restrictions and regulations to restrict business operations to reduce the spread of a pandemic may also have a significant impact on revenue and profitability of some of the Group's businesses.

Although each business has business continuity plans to mitigate as far as possible the impact of events, there can be no assurance that a pandemic would not have any adverse impact on the Group's business, reputation, results of operations and financial condition. Generally, the Group's health insurance contracts contain terms and conditions that provide for the reimbursement of incurred medical expenses for treatment related to acute medical conditions and exclude those related to pandemics (although these have been waived with respect to COVID-19 in certain circumstances, see further "Business Description – Recent Developments" below). In the event of a pandemic this means some discretionary claims are delayed during the pandemic, but the majority are incurred following recovery from the pandemic.

Severe pandemics, such as COVID-19, could have a significant global economic impact and result in changes in societal behaviours, government priorities and consumer spending patterns which could in turn affect the Group's business, results of operations and financial condition. As a result, the business, results of operations, corporate reputation and financial condition of the Group could be adversely impacted. In addition, it remains too early to quantify the long-term impact of COVID-19 on the Issuer's and the Guarantor's business and results, which depend on a range of factors, including the extent and duration of the period of disruption caused by COVID-19 and its impact on the global economy. However, in the Solvency and Financial Condition Report of the Group for the year ended 31 December 2019 (published on 17 April 2020 and incorporated by reference herein) the Group stated that it estimated that its capital position had not changed materially as a result of COVID-19. That remains consistent with the Group's previous stress testing of market risks.

Climate change

The Group's longer-term exposure to climate change falls into two broad categories. Physical risks, particularly to the Group's property assets arising from severe weather events; and transition risks from the move to a low carbon economy, which will impact the value of those investments associated with higher levels of greenhouse gas emissions and affect the broader macroeconomic environment. The two risks are linked. Continued emissions will increase physical risks, and limiting the impacts will require substantial emission reductions which will increase transition risks. There are also potential impacts on the health of those that the Group insures, and although the Group expects this to be gradual and emerge over the very long term, it will require consideration within the Group's pricing. The Group does not have a material direct exposure to investments which may be affected by transitional risks but may be affected by impacts on the economy which negatively impacts on the ability of customers to afford its products with resulting negative impacts on performance.

Physical risks may impact the value of property assets in the longer-term but increasing weather events will also have a significant impact on the ability to operate and maintain business continuity in these businesses, particularly the care homes and hospitals which are occupied by vulnerable customers.

In the shorter-term the Group considers there are also potential reputational risks associated with climate change, either from being seen to taking the wrong actions or not being seen to be taking enough of the right actions. This could result in customers deciding to not do business with Bupa and therefore negatively impact performance and operations.

Reputational Risks

The Group's results are, to a certain extent, susceptible to its brand and reputation. Consumers are placing increased importance on the reputation of companies and considering whether their business is conducted in a sustainable manner. These considerations affect consumers' choices and can be exaggerated in periods of greater economic pressure on consumer spending.

The Group is exposed to the risk that litigation, employee misconduct, operational failures, the outcome of regulatory investigations, press speculation and negative publicity, accidental disclosure of confidential client information, data breaches, inadequate services, which, whether true or not, could impact the Group's brand or reputation.

The Group has an established incident management framework and a corporate affairs function across all market units and at Group level to ensure that incident responses are appropriate and minimise potential reputational damage. However, there can be no assurance that these risks will not materialise and have a harmful effect on the Group's reputation and in turn, adversely affect the Group's business, results of operations and financial condition.

5. Internal control risks

Business continuity and resilience risk

The geographic diversification of the Group's operations significantly increases its exposure to business disruption, natural disasters and other catastrophic events, which could affect the continuity of the Group's business. Pandemics, natural disasters, terrorism and fires could disrupt operations and result in significant loss of property, key personnel and information about the Group and its customers.

Each Bupa Business Unit has detailed Business Continuity Plans. These plans include response plans for specific incidents, such as pandemics or significant events, and are tested on a regular basis and have been successfully implemented across the Group during the COVID-19 pandemic. However, the failure of the Group's business continuity plans to anticipate and address events which pose risks to the continuity of the Group's business could lead to disruption of the Group's business for a substantial period of time, which could have a material adverse effect on the Group's results of operations in any period and, depending on the severity, could also materially and adversely affect the Group's financial condition.

Leadership and people

As the Group changes and grows, its success depends on its ability to attract, motivate and retain highly skilled management and other personnel, particularly those who operate in technical and professional areas of the Group's business. The current global shortage of health care staff and dentists, which predates the COVID-19 pandemic, has had a negative impact across the Group's provision businesses. The Board views the development and training of the Group's personnel, and the recruitment of experienced individuals from outside the Group, as central to the Group's future success. Certain key members of the Group's personnel are required to be approved by relevant regulators and must be fit and proper to perform their functions. If such persons ceased to be fit and proper they would not be able to perform their functions within the Group and any finding that such persons had ceased to be fit and proper could result in adverse publicity for the Group and damage to the Group's reputation. Further, in the event that such persons left the Group and suitable replacements could not be found, this could impact on the ability of the Group to innovate and bring new products and services to market, which could adversely affect the Group's business, results of operations and financial condition.

Information technology and information governance

The Group's services are underpinned by information technology systems and infrastructure ("**IT**"). The Group has a number of dedicated IT teams who are responsible for the development, maintenance and monitoring of IT services. The Group has a dedicated IT security risk management resource operating under the leadership of the Chief Information Officer.

Due to the nature of its business, the Group handles sensitive consumer data and any failure to maintain the confidentiality of such data could result in liability for, and reputational damage to, the Group. System failures may impact the Group's provision of products and services and may cause information security breaches. Systems failures or outages could compromise the Group's ability to perform these functions in a timely manner, which could harm its ability to conduct business as well as the Group's relationships with its business partners and customers. The Group's systems could also be subject to physical and electronic break-ins, and subject to similar disruptions from unauthorised tampering. This may impede or interrupt the Group's business operations or lead to unauthorised disclosure or loss of data or data corruption, including customer data, which could lead to legal liability and damage the Group's reputation. Any such failures or breaches and a lack of integration of systems across the Group could adversely affect the Group's business, results of operations and financial condition.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FCA.

Clinical governance risk

The Group is committed to ensuring that its customers, wherever they are in the world, are treated and cared for according to evidence-based best practice, high patient safety and clinical standards. Clinical risks are inherent in the Group's care provision activities. Monitoring these risks is mainly a market unit led responsibility and key businesses within the Group have clinical quality governance structures in place. They are professionally accountable to Bupa's Chief Medical Officer for clinical governance; the Chief Medical Officer has been nominated as the senior manager, independent from the business, who takes overall responsibility for the oversight of systems and controls relating to clinical governance within the Group. Bupa's structure of clinical governance and quality committees means that there is oversight both within Market Units and across Bupa.

Failure to adequately monitor clinical risks could lead to regulatory action against the Group and could result in damage claims, adverse media coverage for the Group, damage to the Group's reputation and, ultimately, a reduction in customer numbers and a significant financial impact on the Group.

Operational systems and processes

Failures of the Group's systems and processes in relation to areas such as prevention of financial crime, regulatory compliance and the reporting of financial information are key risks. Such failures could cause unanticipated financial loss, customer detriment and reputational damage. Furthermore, failure to comply with applicable laws and regulations could lead to financial or other penalties (such as fines, disciplinary actions, administrative proceedings etc.) from a regulator or supervisory authority exercising powers of intervention against the Group or to the withdrawal of regulatory licences or permissions necessary for the conduct of the Group's business. Any such regulatory action could adversely affect the Group's business, results of operations and financial condition. The Group continues to strengthen its risk and control framework to mitigate this risk and has a low appetite for operational risks. Nevertheless, some degree of risk exposure will always remain.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FCA.

Expansion

The Group makes selective acquisitions where it considers they will enhance its services or geographical spread and increase the value of the business in the long term. Rapid growth into new markets, rapid expansion in the Group's existing markets and any major acquisition exposes the Group to new potential financial, regulatory and reputational risks as well as the operational risks associated with the integration of newly acquired businesses. The Group controls acquisition risk by focusing on product and service areas in which it has expertise. The Group has a defined acquisition methodology and expert staff, and its integration programmes are regularly reviewed by senior management. Limits are set on the number of material acquisitions that can be worked on concurrently within Market Units, in order to ensure performance delivery within its existing businesses alongside execution of any mergers and acquisitions. Failure to accurately appraise acquisition opportunities or to realise anticipated returns from newly acquired businesses or the Group's exposure to liabilities within newly acquired businesses could adversely affect the Group's operating results and divert substantial amounts of management time away from operations and potentially profitable initiatives.

The Group's acquisitions could also result in the incurrence of additional indebtedness, costs, contingent liabilities, and impairment and amortisation expenses related to goodwill and other intangible assets, all of which could materially adversely affect the Group's businesses, financial conditions and results of operations. There could also be unforeseen liabilities that arise out of the businesses acquired and those it may acquire in the future, which may not be covered by, or exceed the amounts of, any indemnities provided to the Group by the sellers.

Geographical spread

The Group's international businesses operate in a wide range of locations across the world, and the Group's overall international success is dependent on its ability to succeed in different economic, social and political environments. Geographical diversification provides the benefit of spreading risk by reducing the relative exposure to any single healthcare economy but also represents a risk when operating in new markets with which the Group is less familiar.

The Group recognises the need to maintain effective central oversight of its operations while allowing each business the flexibility to evolve its business model, which allows it to operate effectively in its local market. The Group employs strong local management, with oversight from a corporate centre of specialist functions (the "**Group Functions**"), who are either based in or regularly visit overseas business units to monitor performance. The dissemination of best practice and collaboration among business units is encouraged through regular business reviews and the Group's international executive development programmes. Failure to anticipate or adapt to such conditions, failure to diversify appropriately and ineffective central oversight of the Group's operations could adversely affect the Group's revenues and results of operations.

Risk factors relating to the Notes generally

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

Modification, waivers and substitution

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

The Trust Deed also provides that the Trustee may, without the consent of the Noteholders or the Couponholders, agree to (i) any modification of the Conditions and the provisions of the Trust Deed or the Agency Agreement that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, or (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions and the provisions of the Trust Deed or the Agency Agreement that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders.

Further, the Trust Deed provides that, if requested by the Issuer or the Guarantor, the Trustee shall, without the consent of the Noteholders, agree with the Issuer or the Guarantor to the substitution of the Issuer and/or the Guarantor, as issuer and guarantor in respect of the Notes, respectively, with other group members or successors in business, subject to the conditions set out in Clause 14.2 of the Trust Deed being satisfied. Provided those conditions are satisfied, the Trustee will be obliged to consent to the relevant substitution. The conditions set out in Clause 14.2 do not require the Trustee to make any assessment of the relative financial or other condition of any substitute or otherwise to consider whether or not the substitution could be materially prejudicial to the interests of Noteholders.

Each of the Issuer and the Guarantor is a holding company and therefore payments on the Notes are structurally subordinated to the liabilities and obligations of the Issuer's subsidiaries and the Guarantor's subsidiaries, respectively

Each of the Issuer and the Guarantor is a holding company within the Group, with their operations being conducted by operating subsidiaries of the Issuer. Accordingly, creditors of a subsidiary would have to be paid in full before sums would be available to the shareholders of that subsidiary (i.e. the Issuer, a subsidiary of the Issuer, the Guarantor or a subsidiary of the Guarantor) and so to Noteholders. The Conditions do not limit the amount of liabilities that subsidiaries of the Issuer or the Guarantor may incur. In addition, the Issuer and the Guarantor may not necessarily have access to the full amount of cash flows generated by their operating subsidiaries, due in particular to legal or tax constraints, contractual restrictions and the subsidiary's financial requirements.

Early redemption of the Notes in certain circumstances is at the discretion of the Issuer, and an investor may not be able to reinvest the redemption proceeds at as effective a rate of return as that in respect of the Notes

The Notes may, subject as provided in Condition 5, be redeemed before the Maturity Date at the sole discretion of the Issuer (i) in the event of certain changes affecting UK taxes at their principal amount together with interest accrued but unpaid to (but excluding) the date of redemption, (ii) at any time during the three month period prior to the Maturity Date at their principal amount together with interest accrued but unpaid to (but excluding) the date of redemption, (iii) in exercise of a clean-up call option by the Issuer (in the event that, at any time after the Issue Date, 80 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 15 will be deemed to have been originally issued) has been purchased by the Issuer (or any of its Subsidiaries) and cancelled at their principal amount together with any interest accrued but unpaid to (but excluding) the date of redemption, or (iv) at any time prior to the date falling three months prior to the Maturity Date at the Make Whole Redemption Amount (as defined in Condition 5).

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

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Change of law

The Conditions are based on English law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Notes, including any changes as a result of Brexit.

Integral multiples of less than £100,000

The denomination of the Notes is £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. Accordingly, it is possible that the Notes may be traded in the clearing systems in amounts in excess of £100,000 that are not integral multiples of £100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than £100,000 in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes such that its holding amounts to £100,000. Should definitive Notes be required to be issued, they will be issued in principal amounts of £100,000 and higher integral multiples of £1,000 up to a maximum of £199,000 but will in no circumstances be issued to Noteholders who hold Notes in the relevant clearing system in amounts that are less than £100,000.

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

Risks related to the market generally

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

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes, which bear a fixed rate of interest, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Credit ratings may not reflect all risks

The Notes are expected, on issue, to be rated "A3" and "BBB+" by Moody's and Fitch. The ratings may not reflect the potential impact of all risks that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes, substantially as they will appear on the Notes in definitive form (if issued).

The £ 300,000,000 1.750 per cent. Notes due 2027 (the "**Notes**") (which expression shall, in these Conditions, unless the context otherwise requires, include any further Notes issued pursuant to Condition 15 and forming a single series therewith) of Bupa Finance plc (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated 25 June 2020 (the "**Issue Date**"), between the Issuer, The British United Provident Association Limited (the "**Guarantor**") and HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes (the "**Noteholders**"). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below.

Payments in respect of the Notes will be made pursuant to an agency agreement (the "**Agency Agreement**") dated 25 June 2020 and made between the Issuer, the Guarantor, the Trustee and HSBC Bank plc as principal paying agent (the "**Principal Paying Agent**" and together with any additional paying agents or successor, successors, assign or assigns as paying agents under the Agency Agreement, the "**Paying Agents**"). Copies of the Trust Deed and the Agency Agreement are available for inspection at the specified office of each of the Paying Agents (the Trust Deed is also available at the website of the Issuer at https://www.bupa.com/corporate/our-performance/bupas-borrowings). The Noteholders and the holders of the interest coupons (the "**Couponholders**") appertaining to the Notes (the "**Coupons**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those applicable to them of the Agency Agreement.

1 Form, Denomination and Title

The Notes are issued in bearer form, serially numbered, with Coupons attached on issue, in denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No definitive Notes will be issued with a denomination below £100,000 or above £199,000. Notes of one denomination may not be exchanged for Notes of any other denomination. Title to the Notes and to the Coupons will pass by delivery.

The Issuer, the Guarantor, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and no person shall be liable for so treating the holder.

2 Guarantee and Status

(a) Guarantee

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

"**Guarantee**" means the guarantee obligations of the Guarantor referred to in this Condition and as set out in the Trust Deed.

(b) Status of Notes and Guarantee

The Notes and the Coupons constitute (subject to Condition 3) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and Coupons and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

3 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed) neither the Issuer nor the Guarantor will, and the Guarantor will ensure that none of its Material Subsidiaries (as defined in Condition 9) will, create or have outstanding any mortgage, charge, pledge, lien or other encumbrance (other than any arising by operation of law) (each a "**Security Interest**") upon the whole or any part of its or their respective undertakings or assets present or future, to secure any Relevant Indebtedness (as defined below) or to secure any guarantee or indemnity in respect thereof, without simultaneously with, or prior to, the creation of such Security Interest, securing the Notes equally and rateably therewith to the satisfaction of the Trustee, or providing such other Security Interest therefor which the Trustee in its absolute discretion shall deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, save that the Issuer, the Guarantor or any Material Subsidiary may create or have outstanding (without the obligation so to secure the Notes) a Permitted Security Interest.

For the purposes of these Conditions:

"**Relevant Indebtedness**" means any indebtedness for moneys borrowed (as defined in Condition 9) which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which, with the agreement of the issuer thereof, are quoted, listed, dealt in or traded on a stock exchange or over the counter or other recognised securities market other than (i) indebtedness which has a stated maturity not exceeding one year or (ii) any indebtedness which comprises non-recourse borrowings (as defined below);

"**non-recourse borrowings**" means any indebtedness for moneys borrowed to finance the ownership, acquisition, development and/or operation of an asset in respect of which the person or persons to whom any such indebtedness for moneys borrowed is or may be owed by the relevant borrower has or have no recourse whatsoever to the Issuer, the Guarantor or any Subsidiary within the Group (as defined in Condition 9) for the repayment thereof other than:

(i) recourse to such borrower for amounts limited to the cash flow or net cash flow from such asset; and/or

(ii) recourse to such borrower for the purpose only of enabling amounts to be claimed in respect of such indebtedness for borrowed money in an enforcement of any encumbrance given by such borrower over such asset or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure indebtedness for moneys borrowed, provided that (A) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on such enforcement, and (B) such person or persons are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness for moneys borrowed, to commence proceedings for the winding-up or dissolution of the borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of the borrower or any of its assets (save for the assets the subject of such encumbrance); and/or

(iii) recourse to such borrower generally, or directly or indirectly to the Issuer or any of its Subsidiaries, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof) by the person against whom such recourse is available, up to an aggregate amount of £100,000,000 (or its equivalent in any other currency) at any time outstanding;

"**Subsidiary**" means any entity which is for the time being a subsidiary (with the meaning of Section 1159 of the Companies Act 2006); and

"**Permitted Security Interest**" means:

(a) any Security Interest existing on 25 June 2020 as set out more particularly in Schedule 4 to the Trust Deed;

(b) any Security Interest which secures any Relevant Indebtedness which exists on any undertaking or asset of the Issuer, the Guarantor or any Material Subsidiary which asset or undertaking or which Material Subsidiary is acquired after 25 June 2020, provided that such Security Interest existed at the date of such acquisition, was not granted in contemplation of the acquisition and the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition and any Security Interest over the same undertaking or asset which is given for the purpose of, and to the extent of, the refinancing of any such Relevant Indebtedness; and

(c) any Security Interest as shall have been previously approved in writing by the Trustee (which may only be so approved if the Trustee is of the opinion that to do so will not be materially prejudicial to the Noteholders) or by an Extraordinary Resolution of the Noteholders.

The Trustee shall not be under any duty to monitor whether any Security Interest has been created or is outstanding for the purposes of this Condition 3 and will not be responsible to Noteholders or Couponholders for any loss arising from any failure to do so. Unless and until the Trustee has actual knowledge pursuant to the Trust Deed of the creation or existence of any such Security Interest, it will be entitled to assume that none exists.

4 Interest

(a) Interest Rate and Interest Payment Date

Each Note bears interest on its outstanding principal amount from and including 25 June 2020 at the rate of 1.750 per cent. per annum, such interest being payable in equal instalments (except in relation to the short first coupon) semi-annually in arrear on 14 June and 14 December in each year (each an "**Interest Payment Date**"), the first payment to be made on 14 December 2020.

The first payment shall be in respect of the period from (and including) the Issue Date to (but excluding) 14 December 2020, and thereafter for each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date.

(b) Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

(c) Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six months, the day-count fraction used will be the actual number of days in the period from and including the date from which interest begins to accrue (the "**Accrual Date**") to but excluding the date on which it falls due divided by the product of (i) the actual number of days from and including the Accrual Date (or, if the relevant accrual period falls within the short first interest period, from (and including) 14 June 2020) to, but excluding, the next following Interest Payment Date and (ii) two.

(d) **Calculation Amount**

Interest in respect of any Note shall be calculated per £1,000 in principal amount of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of 1.750 per cent., the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest penny (half a penny being rounded upwards).

5 Redemption and Purchase

(a) **Scheduled Redemption**

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed at its principal amount on 14 June 2027 (the "**Maturity Date**").

(b) **Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount (together with interest accrued but unpaid to (but excluding) the date fixed for redemption) if (i) on the occasion of the next payment due under the Notes, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which the United Kingdom is a party, or any change in the official interpretation or application of such laws, regulations or treaties, which change or amendment becomes effective on or after 25 June 2020, either (x) the Issuer has or will in the absence of such redemption become obliged to pay Additional Amounts (as defined in Condition 7) on, or in connection with, the Notes or (y) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and the Guarantor in making payment itself would be required to pay such Additional Amounts, and (ii) in either case, the Issuer (or, as the case may be, the Guarantor) cannot avoid such obligation by taking measures reasonably available to it or them, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be required to pay such Additional Amounts, were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer or the Guarantor shall deliver to the Trustee (1) a certificate signed by two directors of the Issuer or, as the case may be, the Guarantor, stating that the relevant requirements or circumstances referred to above apply, and (2) an opinion of independent legal advisers of recognised standing to that effect. The Trustee shall, without enquiring and without any liability therefor, accept such certificate and opinion as sufficient evidence of the satisfaction of the relevant requirements or circumstances referred to above, and such certificate and opinion shall be conclusive and binding on the Noteholders and the Couponholders.

(c) **Par Redemption at the Option of the Issuer**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time during the period starting on (and including) the date falling three (3) months prior to the Maturity Date and to (but excluding) the Maturity Date, on giving not less than 15 nor more than 30 days' notice to the Noteholders, the Trustee and the Principal Paying Agent (which notice shall be irrevocable and shall specify the date fixed for redemption) at their principal amount together with interest accrued but unpaid to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date that is fixed for redemption pursuant to this Condition 5(c).

(d) **Clean-up Redemption at the Option of the Issuer**

If, at any time after the Issue Date, 80 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 and being consolidated so as to form a single series with the Notes will be deemed to have been originally issued) has been purchased by the Issuer or any of its Subsidiaries and cancelled, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders or Couponholders) and having given not less than 15 nor more than 30 days' notice to the Noteholders, the Trustee and the Principal Paying Agent in accordance with Condition 17 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount outstanding together with any accrued and unpaid interest to (but excluding) the date of redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date that is fixed for redemption pursuant to this Condition 5(d).

(e) **Make Whole Redemption at the Option of the Issuer**

At any time prior to the date falling three (3) months prior to the Maturity Date, the Issuer may, having given not less than 15 nor more than 30 days' notice to the Noteholders, the Trustee and the Principal Paying Agent in accordance with Condition 17 (which notice shall be irrevocable and shall specify the date set for redemption), redeem in accordance with these Conditions all, but not some only, of the Notes. The Notes will be redeemed at their Make Whole Redemption Amount, together with any accrued and unpaid interest to (but excluding) the date of redemption in accordance with these Conditions.

(f) **Purchase**

Notwithstanding Conditions 5(a), (b), (c), (d) and (e) above, the Issuer, the Guarantor and any of their Subsidiaries may, at any time, purchase Notes (provided that, if they are to be cancelled under Condition 5(g), all unmatured Coupons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Notes held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries shall not entitle the holder to vote at any meetings of the Noteholders and such Notes shall be deemed not to be outstanding for the purposes of, inter alia, calculating quorums at meetings of Noteholders or for the purposes of Condition 9, Condition 10 and Condition 12.

(g) **Cancellation**

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

(h) **Multiple Notices**

If more than one notice of redemption is given pursuant to this Condition 5, the first of such notices to be given shall prevail.

(i) **Notices Final**

Any notice of redemption referred to in Conditions 5(b), 5(c), 5(d) or 5(e) above shall be irrevocable, and on the redemption date specified in such notice the Issuer shall be bound to redeem the Notes in accordance with the terms of the relevant Condition.

(j) **Trustee Not Obliged to Monitor**

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and will not be responsible to Noteholders or Couponholders for any loss arising from any failure to do so. Unless and until the Trustee has actual knowledge pursuant to the Trust Deed of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance exists.

For the purposes of these Conditions:

"**Calculation Date**" means the date that is the second Business Day immediately preceding the date fixed for redemption;

"**Determination Agent**" means a calculation agent, investment bank, financial institution or independent adviser of international standing and appropriate expertise selected by the Issuer after consultation with the Trustee;

"**Make Whole Redemption Amount**" means an amount equal to the higher of:

(i) the principal amount of the Notes; and

(ii) the sum, as calculated by the Determination Agent, of the present values of the principal amount outstanding of the Notes and the Remaining Term Interest (exclusive of interest accrued to the date of redemption), where such present values shall be calculated by discounting such amounts to the date of redemption on a semi-annual basis (assuming an Actual/Actual (ICMA) day count basis or such other day count basis as the Determination Agent may consider to be appropriate having regard to customary market practice at such time) at the Reference Bond Rate plus 0.300 per cent.;

"**Reference Bond**" means the 1.25 per cent. Treasury Stock due 22 July 2027 (ISIN: GB00BDRHNP05), provided that if, at the relevant time at which the Make Whole Redemption Amount is to be determined, such security is no longer outstanding or the Determination Agent advises the Issuer that, for reasons of illiquidity or otherwise, such security is not appropriate for such purpose, the Reference Bond shall be such other government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term to the Maturity Date that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in sterling and of a comparable maturity to the remaining term to the Maturity Date;

"**Reference Bond Price**" means, with respect to any date fixed for redemption:

(i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date fixed for redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or

(ii) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"**Reference Bond Rate**" means the rate per annum equal to the semi-annual yield to maturity or interpolated yield to maturity (on an Actual/Actual (ICMA) day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for the date fixed for redemption;

“**Reference Government Bond Dealer**” means each of five banks selected by the Issuer, or their affiliates, which are:

(i) primary government securities dealers, and their respective successors; or

(ii) market makers in pricing corporate bond issues;

“**Reference Government Bond Dealer Quotations**” means, with respect to each Reference Government Bond Dealer and any Calculation Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Reference Time:

(i) which appears on the Relevant Make Whole Screen Page as at the Reference Time; or

(ii) to the extent that, in the case of (i) above, either such bid and offered prices do not appear on that page, fewer than two such Reference Government Bond Dealer bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"**Reference Time**" means 11.00 a.m. (London time) on the Calculation Date;

“**Relevant Make Whole Screen Page**” means Bloomberg screen page "PXUK" (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond; and

“**Remaining Term Interest**” means the aggregate amount of scheduled payment(s) of interest (assuming each such scheduled interest payment to be due in full) on the Notes for the remaining term to the Maturity Date.

6 Payments

(a) Payments

Payments of principal and interest in respect of the Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes and payments of interest due on an Interest Payment Date will be made against payment and surrender of the relevant Coupons in each case at the specified office of any Paying Agent outside the United States by a sterling cheque drawn on, or, at the option of the holder, by transfer to a sterling account maintained by the payee with, a bank in London.

(b) Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction, but without prejudice to the provisions of Condition 7. For the purposes of the preceding sentence, the phrase “fiscal or other laws, regulations and directives” shall include any obligation of the Issuer or the Guarantor to withhold or deduct from a payment pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations thereunder or official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Principal Paying Agent initially appointed by the Issuer and the Guarantor and its specified office is specified below. The Principal Paying Agent and the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent or any other Paying Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent and (ii) a Paying Agent having specified offices in London so long as the Notes are admitted to the Official List of the Financial Conduct Authority and admitted to trading on the London Stock Exchange's EEA Regulated Market.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(d) **Surrender of unmatured Coupons**

Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.

(e) **Non-Business Days**

If any date for payment in respect of any Note or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In these Conditions, “Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business:

(i) (in the case of this Condition 6) in the place where such Note or Coupon is presented for payment and, in the case of payment by transfer to a sterling account as referred to above, in London; or

(ii) in any other case, in London.

7 Taxation

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

(a) **Other connection**

presented for payment by or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or

(b) **Lawful elimination of withholding**

presented for payment by or on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any person who is associated or connected with the holder for the purposes of any tax complies with any statutory requirements or by making or procuring that any such person makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment; or

(c) **Presentation more than 30 days after the Relevant Date**

presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed ("**Additional Amounts**").

8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect of them, subject to the provisions of Condition 6(d).

9 Events of Default

If any of the following events ("**Events of Default**") occurs, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, (but, in the case of the happening of any of the events mentioned in paragraphs (ii), (iii) (in the case of a Material Subsidiary only), (iv), (v), (vi) and (vii) below, only if the Trustee shall have certified in writing that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer and the Guarantor that the Notes are, and they shall immediately become, due and payable at their principal amount together with accrued interest:

(i) if default is made for a period of 14 days or more in the payment of any interest or principal due in respect of the Notes or any of them; or

(ii) if default is made by the Issuer or the Guarantor in the performance or observance of any obligation, condition or provision binding upon either of them under the Notes or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes) and, except where such default is, in the opinion of the Trustee, not capable of remedy when no such continuation or notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Trustee may permit) after written notice thereof has been given by the Trustee to the Issuer and the Guarantor requiring the same to be remedied; or

(iii) if an order is made or an effective resolution is passed for the winding-up of, or an administration order is made in relation to, the Issuer, the Guarantor or any Material Subsidiary (save (a) with the prior consent of the Trustee or the prior sanction of an Extraordinary Resolution for the purposes of or in connection with an amalgamation, reorganisation or reconstruction or (b) (in the case of a Material Subsidiary) for a voluntary solvent winding-up where surplus assets are available for distribution and are distributed to another member of the Group); or

(iv) if the Issuer, the Guarantor or any Material Subsidiary stops or threatens to stop payment to its creditors generally; or

(v) the Issuer or the Guarantor ceases or threatens through an official action of its board of directors to cease to carry on its business or substantially the whole of its business (except for the purposes of, or in connection with, a reconstruction, reorganisation or amalgamation (a) the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution, (b), in the case of the Guarantor, whereby the undertaking and assets of the Guarantor are transferred to or otherwise vested in the Issuer or a Subsidiary within the Group or another holding company of the Issuer on terms that, where such transfer or vesting is to or in a Subsidiary within the Group or another holding company of the Issuer, such Subsidiary or the holding company of the Issuer guarantees the obligations of the Issuer under the Trust Deed, the Notes and the Coupons on a basis equivalent to that referred to in Condition 2 and in the Trust Deed in accordance with the provisions of the Trust Deed or (c), in the case of the Issuer only, whereby the undertaking and assets of the Issuer are transferred to or otherwise vested in (x) the Guarantor or (y) a Subsidiary within the Group on terms that such Subsidiary guarantees the obligations of the Issuer under the Trust Deed, the Notes and the Coupons on a basis equivalent to that referred to in Condition 2 and in the Trust Deed on a joint and several basis with the Guarantor in accordance with the provisions of the Trust Deed); or

(vi) if an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part (in the case of the Issuer or the Guarantor) or substantially the whole (in the case of any Material Subsidiary) of the undertaking, property and assets of the Issuer, the Guarantor or any Material Subsidiary or if a distress or execution is levied or enforced upon or sued out against the whole or any substantial part (in the case of the Issuer or the Guarantor) or substantially the whole (in the case of any Material Subsidiary) of the chattels or property of the Issuer, the Guarantor or any Material Subsidiary and, in the case of any of the foregoing events, is not discharged within 60 days or such longer period as the Trustee may allow; or

(vii) if the Issuer or the Guarantor is unable to pay its debts within the meaning of Section 123(1)(e) or Section 123(2) of the Insolvency Act 1986; or

(viii) if the Issuer or the Guarantor (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save where such judicial proceedings, composition, conveyance, assignment or other arrangement are initiated or made in connection with the putting in place of a New Holding Company; or

(ix) if the Guarantee ceases to be in full force and effect; or

(x) if the Issuer ceases to be a wholly-owned subsidiary of the Guarantor unless it becomes a wholly-owned subsidiary of the New Holding Company; or

(xi) if (A) any indebtedness for moneys borrowed (as defined below) other than any indebtedness which comprises non-recourse borrowings (as defined in Condition 3) of the Issuer, the Guarantor or any Material Subsidiary is not paid on its due date (or, in the case of indebtedness for moneys borrowed of the Issuer, the Guarantor or any Material Subsidiary payable on demand, is not paid within 5 Business Days of such demand) (or, in any case, if later and if applicable, by the expiry of any originally applicable grace period) or is declared to be, or automatically becomes, due and payable prior to its stated maturity by reason of an event of default (however described), or (B) any guarantee or indemnity in respect of indebtedness for moneys borrowed of any third party given by the Issuer, the Guarantor or any Material Subsidiary is not honoured when due and called upon, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or all of the events mentioned above in this paragraph (xi) has occurred is at least £15,000,000 (or its equivalent in any other currency or currencies) and, in any such case, neither the Issuer nor the Guarantor has delivered to the Trustee a certificate signed by two directors of the Issuer or the Guarantor (in respect of its own liability or the liability of any Material Subsidiary) stating that the liability of the Issuer, the Guarantor or any Material Subsidiary, as the case may be, to make payment is being contested in good faith.

For the purposes of these Conditions:

"**holding company**" shall have the meaning given to it in section 1159 of the Companies Act 2006;

"**indebtedness for moneys borrowed**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money;

a company is a "**wholly-owned subsidiary**" of another company if it has no members except that other and that other's wholly-owned subsidiaries or persons acting on behalf of that other or its wholly-owned subsidiaries;

a "**Material Subsidiary**" means at any time a Subsidiary within the Group (other than the Issuer or the Guarantor):

(a) whose gross revenues (as shown in its most recent annual audited accounts and consolidated in the case of a Subsidiary which ordinarily produces consolidated accounts) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, are equal to) not less than 10 per cent. of the consolidated gross revenues of the Group, as calculated by reference to the then latest audited consolidated accounts of the Group; provided that, in the case of a Subsidiary within the Group acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, the reference to the then latest audited consolidated accounts of the Group for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Guarantor; or

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary within the Group which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Group for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

A report by two directors of the Issuer (whether or not addressed to the Trustee) that in their opinion a Subsidiary is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied on by the Trustee without liability to any person and without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error be conclusive and binding on all parties; and

"**Group**" means (i) the Guarantor and its Subsidiaries or (ii) if the Issuer ceases to be a wholly-owned subsidiary of the Guarantor and becomes a wholly-owned subsidiary of another holding company which guarantees the obligations of the Issuer under the Trust Deed, the Notes and the Coupons on a basis equivalent to that referred to in Condition 2 and in the Trust Deed (such a holding company, the "**New Holding Company**"), the New Holding Company and its subsidiaries.

10 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders (including by way of a conference call) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals to (i) amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (ii) reduce or cancel the principal amount of the Notes, (iii) reduce or cancel the rate of interest in respect of the Notes, (iv) vary the currency of payment or denomination of the Notes, (v) modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (vi) modify or cancel the Guarantee, in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed also provides that i) a written resolution executed or ii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee), in each case by or on behalf of the Noteholders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification of the Trust Deed or the Agency Agreement

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of these Conditions and the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions and the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

Any such modification, authorisation or waiver may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable thereafter.

(c) Substitution

If requested by the Issuer or the Guarantor, the Trustee shall, without the consent of the Noteholders or Couponholders, agree with the Issuer or the Guarantor to the substitution (a) in place of the Issuer as the principal debtor of either (i) the Guarantor or another holding company of the Issuer or (ii) any Subsidiary within the Group or (iii) a successor in business to the Issuer (each a "**Substitute Issuer**") or (b) in place of the Guarantor as guarantor of either (i) a successor in business to the Guarantor or (ii) a Subsidiary within the Group or (iii) another holding company of the Issuer (each a "**Substitute Guarantor**" and a Substitute Guarantor or a Substitute Issuer being hereinafter called a "**Substitute Obligor**"), in each case subject to certain conditions in the Trust Deed being complied with.

Any substitution shall be binding on the Noteholders and Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17.

11 Entitlement of the Trustee

In connection with any exercise of its functions (including but not limited to those referred to in Condition 10), the Trustee shall have regard to the interests of the Noteholders as a class and the Trustee shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise as aforesaid, no Noteholder or Couponholder shall be entitled to claim, whether from the Issuer, the Guarantor, the Substitute Obligor or the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or any such exercise upon any individual Noteholders or Couponholders except to the extent already provided in Condition 7 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

12 Enforcement

The Trustee may at its discretion take such action and/or institute such proceedings as it may think fit to enforce the obligations of the Issuer and/or the Guarantor under the Notes, the Coupons and the Trust Deed, but it shall not be bound to take any such action or institute any such proceedings or to take any other action under or pursuant to the Trust Deed unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Guarantor unless the Trustee having become bound so to proceed fails or is unable to do so within 60 days and such failure or inability is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including:

(i) provisions relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction; and

(ii) provisions limiting or excluding its liability in certain circumstances. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or opinion or any advice of any accountants, financial advisers, financial institution or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice and such report, opinion, confirmation, or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee and the Noteholders.

14 Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Principal Paying Agent or such other Paying Agent as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes or Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Limitation on Trustee actions

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

17 Notices

Notices to Noteholders shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If in the opinion of the Trustee such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law

The Trust Deed, the Notes and the Coupons and any matter, claim or dispute arising out of or in connection with the Trust Deed, the Notes and the Coupons, whether contractual or non-contractual, are governed by, and shall be construed in accordance with, English law.

OVERVIEW OF THE NOTES WHILE IN GLOBAL FORM

*The Notes will be represented initially by a single temporary global Note in bearer form, without interest coupons (the "**Temporary Global Note**") which will be issued in new global note ("NGN") form. The Temporary Global Note will be deposited with a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or about the Issue Date. The Temporary Global Note will be exchangeable on or after 4 August 2020 for a permanent global Note in bearer form, without interest coupons, (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The Global Notes will be exchangeable for definitive Notes with Coupons attached only in the limited circumstances specified therein (the "**Definitive Notes**").*

Notes and Coupons will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

Each Accountholder (as defined below) must look solely to the relevant Clearing System (as defined below) (as the case may be) for his share of each payment made by the Issuer or the Guarantor to the bearer of such Global Note and in relation to certain other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of the relevant Clearing System. Such persons shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer and the Guarantor will be discharged by payment to or to the order of the bearer of such Global Note in respect of each amount so paid.

The Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions.

1 Nominal Amount and Exchange

The nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear and/or Clearstream, Luxembourg or any alternative clearing system approved by the Trustee (the "**Alternative Clearing System**") (each a "**relevant Clearing System**"). The records of each relevant Clearing System shall be conclusive evidence of the nominal amount of Notes represented by the Global Notes and a statement issued by any relevant Clearing System at any time shall be conclusive evidence of the records of that relevant Clearing System at that time.

Interests recorded in the records of the relevant Clearing System in the Temporary Global Note are exchangeable in whole or in part for interests recorded in the records of the relevant Clearing System in the Permanent Global Note on or after a date which is expected to be 4 August 2020 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for Definitive Notes only if:

(a) an Event of Default (as set out in Condition 9) has occurred; or

(b) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no Alternative Clearing System is available; or

(c) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of any relevant Clearing System which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below) or the Trustee, may give notice to the Issuer and (in the case of (c) above) the Issuer may give notice to the Trustee and the Noteholders, of its intention to exchange the Permanent Global Note for Definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver (free of charge to the bearer), or procure the delivery of, an equal aggregate principal amount of Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal, listing authority and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Notes.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in minimum denominations of £100,000 and higher integral multiples of £1,000 up to a maximum of £199,000, but will in no circumstances be issued to Noteholders who hold Notes in the relevant Clearing System in amounts that are less than £100,000.

In this Prospectus, "**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant Clearing System is located.

2 Payments

On and after 4 August 2020, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will be made to its holder. The Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant Clearing System, and, in the case of payments of principal, the nominal amount of the Notes will be reduced accordingly. Each payment so made will discharge the Issuer's and the Guarantor's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing System shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3 Calculation of interest

Notwithstanding the provisions of Condition 4(d), for so long as all of the Notes are represented by a Global Note, interest shall be calculated on the aggregate principal amount of the Notes represented by such Global Note (and not per £1,000 in principal amount), but otherwise shall be calculated in accordance with Condition 4.

4 Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held in a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to that relevant Clearing System for communication to the relevant Accountholders (or otherwise in such manner as the Trustee, the Principal Paying Agent and the relevant Clearing System may approve for this purpose) rather than by publication as required by Condition 17 provided that, so long as the Notes are admitted to listing or trading on any stock exchange, the requirements of such stock exchange have been complied with. Any such notice shall be deemed to have been given to the Noteholders on the day which is one business day, being a day on which banks are generally open, in Brussels and Luxembourg, after the date on which such notice is delivered to the relevant Clearing System as aforesaid.

5 Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of a relevant Clearing System, each person (other than a relevant Clearing System) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by a relevant Clearing System as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to the relevant Clearing System for its share of each payment made to the bearer of the relevant Global Note.

6 Prescription

Claims against the Issuer and the Guarantor (as the case may be) for payment in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

7 Cancellation

On cancellation of any Note represented by a Global Note, the Issuer shall procure that details of such cancellation shall be entered in the records of the relevant Clearing System and, upon such entry being made, the principal amount of the applicable Global Note recorded in the records of the relevant Clearing System shall be reduced by the aggregate principal amount of the Notes so cancelled.

8 Authentication and Effectuation

The Temporary Global Note and the Permanent Global Note shall not become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Principal Paying Agent and effectuated by the entity appointed as Common Safekeeper by the relevant Clearing Systems.

9 Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

References in the Global Notes to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee in which the Notes are held from time to time.

10 Electronic Consent and Written Resolution

While any Global Note is held on behalf of a relevant Clearing System, then:

(a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Trust Deed) shall, for all purposes, take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by Accountholders in the relevant Clearing Systems with entitlements to such Global Note or, where the Accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the Accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "commercially reasonable evidence" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an Accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant Clearing System (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the Accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

BUSINESS DESCRIPTION

The Issuer and the Guarantor

The Issuer, Bupa Finance plc, is the holding company for all the operating subsidiaries in a leading international health insurer and provider group.

The Issuer was incorporated as a public limited company of indefinite duration on 13 January 1993 in England and Wales under the Companies Act 1985 (as amended). All of the issued share capital of the Issuer is beneficially owned by its parent company, The British United Provident Association Limited. The registered address of the Issuer is 1 Angel Court, London EC2R 7HJ and the telephone number of the Issuer is +44 (0) 20 7656 2000.

The Guarantor, which is the ultimate parent company of the Group, was incorporated as a private company limited by guarantee without share capital on 3 April 1947 in England and Wales under the Companies Act 1929. The Board of the Guarantor has a majority of independent Non-Executive Directors. Where appropriate for a company without shareholders, the Guarantor adheres to the corporate governance principles set out in the UK Corporate Governance Code published by the Financial Reporting Council in 2018. The registered address of the Guarantor is 1 Angel Court, London EC2R 7HJ and the telephone number of the Guarantor is +44 (0) 20 7656 2000.

The Group is primarily a health insurer and provides health insurance to around 17.5 million people around the world, which accounted for 73% of the Group's total revenue in the financial year ended 31 December 2019. The Group's health provision business accounted for 19% of the Group's total revenue in the financial year ended 31 December 2019, serving around 15.8 million people in health clinics, hospitals and dental centres. The Group also manages residential aged care facilities which provide care for around 22,000 residents across four markets, and accounts for 8% of the Group's total revenue. As at 31 December 2019, the Group directly employed approximately 83,000 people, principally in the UK, Australia, Spain, Poland, Chile, New Zealand, Hong Kong, Turkey, the US, Brazil, the Middle East and Ireland. The Group also has associate businesses in Saudi Arabia and India.

History of Bupa and the Group

In April 1947, Bupa was founded with the objects of preventing, relieving and curing sickness and ill-health of every kind and promoting health in any way. At that time the organisation operated solely in the field of private health insurance serving 38,000 customers at the beginning of 1948.

In 1982, Bupa International was launched to provide worldwide medical cover to people working outside their home country. This business is now branded Bupa Global.

In 1989, Bupa acquired Sanitas S.A. de Seguros, now Spain's second largest private medical insurer.

During 1996 and 1997, Bupa made a series of acquisitions in the UK care home sector and established itself as a market leading care home operator.

In 1997, the Group entered the Kingdom of Saudi Arabia ("**KSA**") in partnership with the Nazer Group to form a joint venture, Bupa Arabia. In 2008, Bupa Arabia was listed on the Tadawul, the Saudi stock market. Bupa Arabia is now the leading health insurance provider in the KSA. The Group increased its stake in Bupa Arabia in 2017 and 2018 and now holds a 39.25% stake in this associate business, but announced, on 10 June 2020, that it proposed to further increase its share in Bupa Arabia by 4% to 43.25%. This follows an agreement to acquire a portion of Nazer Group's stake in Bupa Arabia and is subject to customary regulatory approvals. The agreed price for the acquisition is SAR105 per share or SAR504 million in aggregate (approximately £106 million as at 10 June 2020).

Maintaining its focus on bringing high quality healthcare services to a wider circle of customers with the aim of helping them to enjoy longer, healthier, happier lives, the Group has undergone a significant transformation in recent years.

In the 2000s, the Group entered the Australian health insurance market, opened hospitals in Spain and expanded its network of clinics in the UK.

In 2007, the Group completed the sale of its UK hospitals business. The scale of both its UK hospitals and insurance businesses meant that they were becoming increasingly constrained by being part of the same group.

Significant acquisitions followed these disposals, the largest of which was the merger of the Group's Australian insurance business with the insurance group MBF to form that country's second largest private medical insurer. During 2008, the Group also completed its acquisition of DCA Aged Care Group, a care homes business with operations in Australia and New Zealand. The Group also took a long lease over a standalone private hospital in London, the Bupa Cromwell Hospital.

The Group launched a partnership in India with Max India Ltd in 2010, branded Max Bupa. In 2011, Bupa Australia brought together the insurance brands MBF, HBA and Mutual Community under the Bupa brand. In addition, Sanitas acquired CIMA, a hospital in Barcelona, to provide enhanced healthcare to customers in the region.

In 2013, the Group acquired LuxMed, the leading provider of private medical subscriptions, diagnostics and treatment clinics in Poland. Other acquisitions in this period included: Dental Corporation, Australia and New Zealand’s largest dental provider; Quality HealthCare, a leading private clinic network in Hong Kong; a 49% stake in Highway to Health, Inc., a US health insurer specialising in providing international health insurance for US residents planning to live or work abroad.

In 2014, the Group acquired a 56% stake in Cruz Blanca, one of Chile's leading healthcare groups. The Group also made continued investment in organic growth, particularly in dentistry in Spain and the UK. In 2016, the Group became the sole owner of Cruz Blanca (now Bupa Chile). Bupa Chile opened a major hospital in Santiago in 2018.

In 2016, the Group increased its ownership of Max Bupa, in India to 49%, and acquired sole ownership of Care Plus, a premium health insurer in Brazil.

In February 2017, the Group announced the completion of its purchase of Oasis Dental Care, the UK’s leading private dental provider with an enterprise value of £861 million, from Bridgepoint, a European private equity group. The purchase supported the Group’s strategy to offer customers high quality dental services. As a result of the purchase, the Group became a major dental provider in the UK’s dental market with over two million customers and over 420 clinics. The business has since grown to around 490 clinics in the UK and Ireland.

The Group divested parts of its care home business in the UK over the course of 2017 and 2018. The Group now operates 125 care homes and nine retirement villages in the UK.

In 2018, the Group acquired Nectar Seguros, a Spanish private health insurer and Ginemed, a Spanish fertility business. The Group also began to deliver health services to the Australian Defence Force and remains a leading health insurer in Australia.

Today, the Group is an international healthcare company with significant operations in Europe, the Americas, Asia and Australasia with approximately 70% of its business revenues earned from international operations. As at 31 December 2019, the Group served 17.5 million insurance customers, 15.8 million provision customers and 22,000 aged care residents. Provision customers comprise people we have cared for in our health and dental clinics and hospitals during the year. The Group employed approximately 83,000 people globally in 2019.

Recent developments

Recent international expansion

In January 2019, the Group acquired Bupa Acibadem Sigorta, a leading private health insurer in Turkey. In March 2019, the Group's new authorised insurer in Ireland, Bupa Global DAC, began operations as part of the Group's strategy to mitigate against the impact of Brexit by allowing the Group to continue to serve its customers who are resident or based in the EEA but outside the UK and Ireland. The Group also completed the transition of its Indian business, Max Bupa, to a new partner, True North, whilst retaining a 44.42% stake in Max Bupa.

COVID-19

The Group's response to COVID-19 has been co-ordinated at a global level by the Bupa Executive Team, with each business also having local crisis and then response management teams in place, supported by specialists from across the Group. The impact of COVID-19 on the financial performance, financial position and prospects of the Group has been highly localised, being dependent on the public health situation (including what stage the infection is currently at); the form of a particular government's response; and the specific health system of the country. In addition, the Group's businesses have differing 'footprints' within each country they operate in, with distinct services and capabilities. As a result, the operational response and impact has varied between geographies, as well as across lines of business.

Within its insurance businesses the Group has responded with increased digital offerings to customers including video consultations and telehealth services. The Group has also taken targeted action on a market-by-market basis to support and maintain value for health insurance customers. Details vary according to the local market context and product set, with actions including the removal of pandemic exclusions, delaying planned premium increases and support for customers experiencing financial hardship. While the Group is currently seeing lower claims due to short-term delays to elective surgery, the cost of claims could increase in the long run due to deferred costs of treating under-treated illnesses. Within provision, where appropriate, the Group's hospitals and clinics have been partnering with the government to support public health efforts. This includes testing and caring for patients with COVID-19 and treating other medical emergencies according to local capabilities and market context. Compensation for hospital bed capacity utilised to care for patients with COVID-19 is expected to be broadly equivalent to the cost of providing such care. Online and telehealth services are being expanded in non-urgent health provision in response to growing customer need and new levels of clinician engagement with technology.

The majority of dental clinics across the Group's businesses were closed in the short term in line with local public health advice, except for those remaining open for emergency treatments. Within aged care the Group has continued to support and care for residents working in close collaboration with local health authorities. This includes some public hospital patients moving into the Group's care homes. Occupancy rates have come under some pressure although it is too early to determine the impact on the Group's medium term revenues and operating costs. Where supplies of medical and protective equipment (such as masks, gloves and gowns) have been in short supply, the Group has been working with governments to help address shortages. The Group has managed workforce considerations, with office-based roles transferred to remote working including customer service, and redeployed staff, including clinical staff, where appropriate.

The Business of the Group

The principal activities of the Group are the operation of personal and company-financed health insurance, and the provision of healthcare facilities including care homes, retirement villages, hospitals, primary care centres and dental clinics.

The Group's health insurance business accounts for a major part of the Group's business. The Group maintains a strong domestic health insurance presence in the UK, Australia, Spain, Saudi Arabia, Chile, Hong Kong, Turkey, India and Brazil and offers international private medical insurance ("**IPMI**") to customers across the world through Bupa Global. The Group also provides dental insurance, travel insurance and additional health funding products such as subscriptions, cash plans and third-party administration services in selected markets. The Group's health insurance services accounted for 73% of the Group's total revenue as at 31 December 2019.

The Group operates 20 hospitals, 370 health clinics and around 1,000 dental centres worldwide. The Group's provision of these services accounted for 19% of total revenue as at 31 December 2019.

The Group also operates residential aged care businesses in the UK, Australia, New Zealand and Spain. The Group's aged care business accounted for 8% of total revenue as at 31 December 2019.

In the financial year ended 31 December 2019, the Group saw its revenues increase by 5% to £12.3 billion at constant exchange rates ("**CER**")[1] (FY 2018: £11.7 billion). Underlying profit before taxation[2] was down 31% to £416 million (FY 2018: £603 million). Net cash generated from operating activities decreased to £697 million (FY 2018: £808 million) at actual exchange rates ("**AER**"). Leverage increased to 25.1% (FY 2018: 23.5%). The Group recorded a statutory loss before taxation of £78 million at AER (FY 2018: £502 million profit), including non-cash items of £443 million, primarily due to goodwill impairments of £226 million in the Group's UK dental business and £177 million in the Group's Australian aged care business. The Group's 2019 results reflect tough market conditions in some of its key markets, especially Australia and the UK dental market, and its continued significant investment in technology to enable long-term sustainable growth. In Australia, results were affected by margin pressures in health insurance and challenges in the aged care business. In UK dental, results reflected sector-wide issues with the availability of dental staff, which have been exacerbated by Brexit.

Since 1 January 2016, the Group has been subject to the Solvency II regulatory regime, which requires the Group to hold sufficient eligible own funds to cover its SCR, which takes account of all the risks in the Group, including those related to non-insurance businesses. The Group's SCR is calculated in accordance with the Standard Formula specified in the Solvency II legislation. The Group has obtained approval from the Prudential Regulation Authority to substitute the insurance premium risk parameter in the Standard Formula with a Group Specific Parameter which reflects Bupa's own loss experience. At least annually, the Group carries out an Economic Capital Assessment ("**ECA**") in which it makes its own quantification of how much capital is required to support its risks. The ECA is used to assess how well the Standard Formula SCR reflects the Group's actual risk profile.

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[1] All figures presented at constant exchange rates unless otherwise stated. Bupa use constant exchange rates to compare trading performance in a consistent manner.

[2] To derive underlying profit, profit before taxation is adjusted for amortisation and impairment of intangible assets and goodwill arising on business combinations, net property revaluation gains or losses, realised and unrealised foreign exchange gains and losses, gains or losses on return seeking assets, profits or losses on the sale of businesses and fixed assets, transactions costs on acquisitions and disposals, and restructuring costs.

The Solvency II surplus capital of the Group was £1.8 billion as at 31 December 2018 and £1.5 billion as at 31 December 2019. The corresponding solvency ratios were 191% at 31 December 2018 and 159% at 31 December 2019. The Group's solvency ratio has a low sensitivity to market risks. At 31 December 2019, neither of the following movements would have moved the ratio by more than 1%: a 100 basis point increase in credit spreads or a 20% fall in equity values. A fall in property values of 10% would have reduced the Group's solvency ratio to 147%; a 10% depreciation in sterling would have reduced the Group's solvency ratio to 157%; and a 100 basis point decrease in interest rates would have reduced the Group's solvency ratio to 157%.

The Group is organised on the basis of three market units ("**Market Units**") covering different geographic regions or areas of business: Australia and New Zealand; Europe and Latin America; and Bupa Global and UK. In 2019, the businesses that made up the former International Markets Market Unit were either aligned to the appropriate remaining Market Units or are overseen directly by the Group Functions, such as the business in Hong Kong and the associate business in Saudi Arabia and India. This change simplified the Group's structure to accelerate organic growth and unlock cost efficiencies while strengthening governance.

Each Market Unit has an executive team headed by a chief executive officer. Each Market Unit includes a number of business units which are managed by a general manager. The Market Units lead the Group's operations in accordance with local market conditions, healthcare systems, market specific regulations and customer requirements. Each Market Unit and the Global Functions are structured to ensure effective governance and oversight.

The Group's Capital Management Policy (which also applies to the Issuer) defines the principles by which the Group's as well as individual legal entities' capital will be managed to help ensure the Group's capital management objective is achieved. This policy also defines the governance process for deploying and repatriating capital across the Group.

The Group's stated capital management objective is to maintain sufficient capital to protect the interests of customers, bond investors, regulators and trading partners while deploying capital efficiently and managing risk to enable the Group to deliver its purpose in a sustainable manner.

The following chart shows, in simplified form, the structure of Bupa, the Group and the Market Units:

The British United Provident Association Limited (the “Guarantor”)

Bupa Finance plc (the “Issuer”)

Australia and New Zealand	**Bupa Global and UK**	**Europe and Latin America**	**Other Businesses**
Bupa Health Insurance	Bupa UK Insurance	Sanitas Seguros (Spain)	Bupa Arabia
			Max Bupa (India)
Bupa Health Services	Bupa Care Services	Sanitas Hospitales and New Services (Spain)	Bupa Hong Kong
			Bupa China
Bupa Villages and Aged Care Australia	Bupa Health Services	Sanitas Dental (Spain)	
Bupa Villages and Aged Care New Zealand	Bupa Dental Care	Sanitas Mayores (Spain)	
	Bupa Global	LuxMed (Poland)	
		Bupa Chile	
		Bupa Global Latin America	
		Bupa Acıbadem Sigorta (Turkey)	
		Bupa Mexico	
		Care Plus (Brazil)	

Australia and New Zealand

The Australia and New Zealand Market Unit is comprised of four business units:

- *Bupa Health Insurance*, a leading health insurance provider in Australia with 4 million customers, and a 26% market share, which also offers health insurance for overseas workers and visitors.
- *Bupa Health Services*, a health provision business which comprises dental, optical, audiology, medical assessment services and health care for the Australian Defence Force.
- *Bupa Villages and Aged Care Australia*, cares for around 6,100 residents across 72 homes.
- *Bupa Villages and Aged Care New Zealand,* cares for around 3,400 residents across 48 homes and seven rehabilitation centres and provides independent living in 32 retirement villages.

In the year ended 31 December 2019, the Australia and New Zealand Market Unit saw a combined 3% growth in revenues for the year to £4,652 million at CER and underlying profits for the year were £160 million (2018: £304 million at CER), a decrease of 47% at CER driven by margin deterioration in the Group's Australian health insurance and aged care businesses.

Europe and Latin America

The Europe and Latin America Market Unit comprises ten business units:

- *Sanitas Seguros,* the second largest health insurance provider in Spain with 1.8 million customers and a market share of over 20%.
- *Sanitas Dental,* dental services provision through 191 centres and third-party networks in Spain.
- *Sanitas Hospitales and New Services,* four private hospitals, 35 private medical clinics, 18 fertility clinics (in Spain and Portugal) and one public private partnership hospital in Spain.
- *Sanitas Mayores,* cares for around 6,100 people in 47 care homes and six day care centres in Spain.
- *LuxMed,* a leading private healthcare business in Poland, operates health funding and provision services through 10 hospitals and 229 private clinics.
- *Bupa Chile,* a leading health insurer serves around 800,000 customers and offers provision services to around 2.5 million customers across four hospitals and 40 medical clinics.
- *Bupa Acibadem Sigorta*, a leading health insurer in Turkey.
- *Care Plus,* a leading health insurer in Brazil.
- *Bupa Mexico,* a health insurer in Mexico.
- *Bupa Global Latin America,* a leading international private medical insurer.

In the year ended 31 December 2019, the Europe and Latin America Market Unit saw a 12% increase in revenues at CER to £3,853 million. Underlying profit decreased by 8% at CER to £156 million (FY 2018: £169 million). The decrease in underlying profit was primarily driven by a sector-wide delay in the approval of the triennial premium rate increase in Bupa Chile. This was partially offset by growth in a number of the businesses including Sanitas Dental and by the acquisition of Ginemed by Sanitas Hospitales and New Services.

Bupa Global and UK

The Bupa Global and UK Market Unit comprises five business units:

- *Bupa UK Insurance,* the UK's leading health insurer with 2.2 million customers and around 37% market share.
- *Bupa Dental Care*, a leading provider of private dentistry in the UK, with around 2.3 million customers, over 490 centres and 10 laboratories across the UK and Ireland.
- *Bupa Care Services,* caring for around 6,500 residents in 125 care homes and nine Richmond care villages.
- *Bupa Health Services,* comprises Bupa Cromwell Hospital, and 49 health clinics.

- *Bupa Global,* serves over 550,000 international private medical insurance customers and administers travel insurance and medical assistance for individuals, small businesses and corporate customers.

In the year ended 31 December 2019, the Bupa Global and UK Market Unit saw a 1% increase in revenues to £3,323 million. Underlying profit decreased 37% at CER to £117 million (FY 2018: £187 million) mainly due to strategic investment in technology capabilities.

Other businesses

The Group also has associate health insurance businesses in Saudi Arabia and India, a health insurance and provision business in Hong Kong and a representative office and medical centre in mainland China.

In Saudi Arabia, Bupa and Nazer Group have developed a long and successful partnership since 1997. In 2008, Bupa Arabia was listed on the Saudi stock exchange (Tadawul) and Bupa Arabia is now the largest health insurance provider in Saudi Arabia. The Group currently has a 39.25% share in Bupa Arabia but announced, on 10 June 2020, that it proposed to further increase its share in Bupa Arabia by 4% to 43.25%.

The Group operates a joint venture in India, a standalone insurer, currently branded Max Bupa. This was first established as a joint venture between the Group and Max India Limited. In late 2019, the Group completed a transition to a new partner, True North, and the Group currently has a 44.42% share in this business.

In the year ended 31 December 2019, the Group's other businesses experienced a 12% increase in revenues to £488 million at CER. Underlying profit increased by 15% at CER to £46 million (2018 FY: £40 million). This increase reflected both underlying performance and the Group's increased shareholding in Bupa Arabia which increased by 5% to 39.25% from August 2018.

Strategy

The Group's purpose is to help people live longer, healthier and happier lives. In 2019, the Group launched a new five-year vision and refreshed its strategic framework which sets out the Group's priorities across three pillars: (i) customers; (ii) people; and (iii) performance and defined goals and measures to achieve the Group's vision of being the most trusted health insurer and provider (the "**Five-Year Vision**").

The Five-Year Vision encapsulates the Group's strategic choices, through business lines and geographical presence:

- *Insurance-led approach:* Health insurance is the core of the Group's business. The Group aims to have a scale insurance position in all of its markets and an insurance-led approach to growth.
- *Owning complementary provision:* The Group seeks to own provision businesses where such businesses complement the Group's health insurance business and enhance the customer experience.
- *Leaders in chosen markets:* The Group aims to achieve and maintain leading positions in all of its health insurance markets.
- *Selectively expand into new markets:* The Group intends to selectively enter and build its presence in new markets.

The three pillars to the Group's strategy are:

- *Passionate about customers*: The Group looks to: differentiate itself through exceptional products and services; harness digitilisation, data and analytics, customer insights and innovation; develop strong distribution networks to deliver seamless customer experiences; and keep customers' data safe.
- *People make the difference:* The Group seeks to: attract, develop and retain outstanding people and leaders who take responsibility and maintain accountability; create safe and healthy workplaces; and celebrate diversity and inclusion.
- *Strong and sustainable performance:* The Group is focused on: driving net customer growth, revenue and profit; increasing scale in funding, supported by physical and digitally connected provision alongside selective expansion; enhancing robust risk management and controls; and embedding corporate responsibility and sustainability to create shared value.

The Group sees an opportunity for sustainable growth by investing in organic growth, strengthening its brand and marketing positions and selectively expanding into new markets in accordance with its strategic framework and Five-Year Vision. The Group remains responsive to local conditions and customer needs while sharing knowledge across the business globally. It is focused on delivering operational resilience and long-term sustainable growth.

Management

Directors and officers of the Issuer

The following is a list of directors and officers of the Issuer and the principal activities (if any) performed by them outside the Group, which are, or may be, significant with respect to the Issuer, as at the date of this Prospectus. The business address of each of the directors and officers referred to below is at 1 Angel Court, London EC2R 7HJ.

Name	**Title**	**Principal activities performed by them outside of Bupa and the Group (if any)**
Gareth Evans	Director	-
Joy Linton	Director	-
Siobhan Dolan	Director	-
Gareth Roberts	Director	-
Colin Campbell	Company Secretary	-

There are no potential conflicts of interest between the duties to the Issuer of the persons listed above and their private interests or other duties.

Directors and officers of the Guarantor

The following is a list of directors and officers of the Guarantor and the principal activities (if any) performed by them outside the Group, which are, or may be, significant with respect to the Guarantor, as at the date of this Prospectus. The business address of each of the directors and officers referred to below is at 1 Angel Court, London EC2R 7HJ.

Name	Title	Principal activities performed by them outside of Bupa and the Group (if any)
Evelyn Bourke	Group CEO	Non-Executive Director of the Bank of Ireland Group plc and London First.
Joy Linton	Chief Financial Officer	-
Roger Davis	Non-executive Chairman	Chairman of Sainsbury's Bank, Global RadioData Communications (GRC) and Future for Heroes, and Non-Executive Director of Experian.
Clare Thompson	Senior Independent Director	Non-Executive Director of M&G plc.
Paul Evans	Non-executive Director	Non-Executive Director of Swiss Re Europe SA and Swiss Re International SE and an advisor to two digital insurance businesses.
Michael Hawker	Non-executive Director	Non-Executive Director of Macquarie Group Ltd (banking), Macquarie Bank Ltd (banking) and Washington H Soul Pattinson Pty and Company Ltd (investment).
Cath Keers	Non-executive Director	Chairman of Ustwo and Non-Executive Director of Funding Circle Holdings plc and Sage Group plc.
Nicholas Lyons	Non-executive Director	Chairman of Phoenix Group Holdings and Clipstone Logistics REIT plc and a Non-Executive Director of Convex Group.
Matías Rodríguez Inciarte	Non-executive Director	Chairman of Unión de Créditos Inmobiliarios, S.A., E.F.C., a Non-Executive Director of Financiera El Corte Inglés E.F.C., S.A, an Independent Director of Financiera Ponferrada SA Sicav, and Head of Santander Universities, a Department of Banco Santander in charge of

Name	Title	Principal activities performed by them outside of Bupa and the Group (if any)
		Santander's Program with Universities.
Professor Melvin Samsom	Non-executive Director	Director of Health and Wellbeing and member of the executive board of Neom.
Caroline Silver	Non-executive Director	Advisory Partner at Moelis & Company, Non-Executive Director of Meggitt PLC, Non-Executive Chairman of FMCG Group PZ Cussons plc, and a Trustee of the Victoria & Albert Museum.
Janet Voûte	Non-executive Director	Chairman of the Creating Shared Value Council at Nestle SA, Council Member at SustainAbility, an ERM Group Company, and an Ambassador of the International Integrated Reporting Initiative.
Colin Campbell	Company Secretary	-

There are no potential conflicts of interest between the duties to the Guarantor of the persons listed above and their private interests or other duties.

TAXATION

UK Taxation

The comments below, which are of a general nature and are based on the Issuer's and Guarantor's understanding of current UK tax law (as applied in England and Wales) and HM Revenue & Customs' published practice, relate only to the UK withholding tax treatment of payments in respect of the Notes and under the Guarantee. They are not exhaustive. They do not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. References to "interest" refer to interest as that term is understood for UK tax purposes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly advised to consult their own professional advisers.

The Notes issued will constitute "quoted Eurobonds" provided they carry a right to interest and are and continue to be listed on a recognised stock exchange, within the meaning of section 1005 Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part VI of the FSMA) and are admitted to trading on the regulated market of the London Stock Exchange. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of UK income tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of UK income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs (such as a direction by HM Revenue & Customs that interest may be paid without withholding, or with withholding at a reduced rate, to a specified Noteholder following an application by that Noteholder under a relevant double tax treaty).

Any payments in respect of the discount element on the Notes will not generally be subject to any withholding or deduction for or on account of income tax.

The UK withholding tax treatment of payments by the Guarantor under the terms of the Guarantee is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantor makes any such payments, these may be subject to UK withholding tax at the basic rate.

SUBSCRIPTION AND SALE

Pursuant to a Subscription Agreement dated 23 June 2020 (the "**Subscription Agreement**"), Barclays Bank PLC, BNP Paribas, HSBC Bank plc, and Standard Chartered Bank (together the "**Joint Lead Managers**" and each, a "**Joint Lead Manager**") have agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Notes at the issue price of 99.694 per cent. of their principal amount less commissions. The Joint Lead Managers are entitled to terminate and to be released and discharged from their obligations under the Subscription Agreement in certain circumstances prior to payment to the Issuer.

United States

Neither the Notes nor the Guarantee have been, and they will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered any Notes, and will not offer, sell and deliver any Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of distribution of all Notes, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Joint Lead Manager agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

UK

Each Joint Lead Manager has represented and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

General

No action has been or will be taken by the Issuer, the Guarantor or any of the Joint Lead Managers that would permit a public offering of the Notes or possession or distribution of this document or other offering material relating to the Notes in any jurisdiction where, or in any circumstances in which, action for these purposes is required. This document does not constitute an offer and may not be used for the purposes of any offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised.

Neither the Issuer, the Guarantor nor the Joint Lead Managers represent that the Notes may at any time lawfully be sold in or from any jurisdiction in compliance with any applicable registration requirements or pursuant to an exemption available thereunder or assumes any responsibility for facilitating such sales.

GENERAL INFORMATION

(1) The Issuer's legal entity identifier is ZIMCVQHUFZ8GVHENP290. The Guarantor's legal entity identifier is 549300T5K5C5DBHXMC67.

(2) The net proceeds of the issue, which are estimated to amount to approximately £298,407,000, will be used by the Issuer for general corporate purposes, including the repayment of existing financial indebtedness under one or more facilities. Certain Joint Lead Managers and/or their affiliates may be creditors under such facilities and may be repaid in whole or in part from the net proceeds of the issue of the Notes.

(3) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with a Common Code of 218314171, and an ISIN of XS2183141717. The CFI and FISN for the Notes can be obtained from the website of the Association of National Numbering Agencies or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

(4) The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

(5) The yield of the Notes is 1.797 per cent., on a semi-annual basis. The yield is calculated as at the Issue Date on the basis of the issue price and the interest rate of 1.750 per cent. per annum. It is not an indication of future yield.

(6) The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be up to £5,515.

(7) It is expected that the applications for the Notes to be admitted to the Official List of the FCA and to trading on the London Stock Exchange's regulated market will be granted on or about 25 June 2020 (subject only to the issue of the Temporary Global Note) and that such admission will become effective, and that dealings in the Notes on the London Stock Exchange will commence, on or about 26 June 2020.

(8) Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the Guarantee. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 12 June 2020. The Guarantor's board of directors established a sub-committee (the "**Committee**") on 2 April 2020 and authorised the Committee to consider the issuance of the Notes on 27 April 2020. The giving of the Guarantee by the Guarantor was authorised by resolution of the Committee passed on 12 June 2020.

(9) The Trust Deed provides that the Trustee may rely on certificates or reports from any auditors or other parties in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document in connection therewith contains any limit on the liability of such auditors or such other party.

(10) There has been no significant change in the financial performance or financial position of the Issuer and its subsidiaries (the "**Issuer's Group**") since 31 December 2019, and no material adverse change in the financial position or prospects of the Issuer since 31 December 2019.

(11) There has been no significant change in the financial performance or financial position of the Group since 31 December 2019, and no material adverse change in the financial position or prospects of the Guarantor since 31 December 2019.

(12) There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the period of 12 months prior to the date of this document, a significant effect on the financial position or profitability of the Issuer or the Issuer's Group.

(13) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware) which may have, or have had during the period of 12 months prior to the date of this document, a significant effect on the financial position or profitability of the Guarantor or the Group.

(14) The Prospectus will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

(15) Copies of the annual report of the Guarantor and audited consolidated financial statements of the Issuer and the Guarantor for the years ended 31 December 2018 and 31 December 2019 and of the Solvency and Financial Condition Report of the Group for the year ended 31 December 2019, and copies of this Prospectus, the Trust Deed and the Agency Agreement and the constitutional documents of the Issuer and the Guarantor will be available for inspection at the specified office of the Principal Paying Agent during normal business hours, so long as any of the Notes is outstanding.

(16) Copies of this Prospectus, the Agency Agreement and the Trust Deed are also available at the website of the Issuer at: https://www.bupa.com/corporate/our-performance/bupas-borrowings.

(17) KPMG LLP, Registered Auditors with the Institute of Chartered Accountants in England and Wales, have audited, and rendered unqualified audit reports on, in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and International Financial Reporting Standards, the consolidated financial statements of the Issuer and the Guarantor, for the two years ended 31 December 2018 and 31 December 2019. KPMG LLP has no material interest in the Issuer or the Guarantor.

(18) There are no material contracts entered into other than in the ordinary course of the Issuer's or Guarantor's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet its obligations to Noteholders in respect of the Notes.

(19) Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor and their respective affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer or the Guarantor routinely hedge their credit exposure to the Issuer and the Guarantor consistent with their customary

risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

PRINCIPAL OFFICES OF THE ISSUER AND THE GUARANTOR

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PRINCIPAL PAYING AGENT

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