BASE PROSPECTUS

B.A.T. INTERNATIONAL FINANCE p.l.c.

(incorporated with limited liability in England and Wales)

B.A.T. NETHERLANDS FINANCE B.V.

(incorporated with limited liability in The Netherlands)

B.A.T CAPITAL CORPORATION

(incorporated with limited liability in the State of Delaware, United States of America)

BRITISH AMERICAN TOBACCO p.l.c.

(incorporated with limited liability in England and Wales)

£25,000,000,000 Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed in the case of Senior Notes issued by B.A.T International Finance p.l.c., B.A.T. Netherlands Finance B.V. or B.A.T Capital Corporation by

BRITISH AMERICAN TOBACCO p.l.c.

and each of the other Issuers (except where it is the relevant Issuer)

On 6 July 1998, each of B.A.T. International Finance p.l.c. ("BATIF"), B.A.T Capital Corporation ("BATCAP") and B.A.T Finance B.V. ("BATFIN") entered into a Euro Medium Term Note Programme (the "Programme") for the issue of Euro Medium Term Notes. On 16 April 2003, British American Tobacco Holdings (The Netherlands) B.V. ("BATHTN") acceded to the Programme as an issuer and, where relevant, a guarantor and BATFIN was removed as an issuer and a guarantor under the Programme. On 9 December 2011, BATCAP was removed as an issuer and a guarantor under the Programme. On 16 May 2014, B.A.T. Netherlands Finance B.V. ("BATNF") acceded to the Programme as an issuer and, where relevant, a guarantor. On 31 May 2017, BATCAP acceded to the Programme as an issuer and, where relevant, a guarantor. On 1 May 2019, BATHTN was removed as an issuer and a guarantor under the Programme. On 18 March 2026, British American Tobacco p.l.c. ("BAT") acceded to the Programme as an issuer of Subordinated Notes (only). BATIF, BATNF, BATCAP and BAT are each, in their capacities as issuers under the Programme, an "Issuer" and together referred to as the "Issuers". The notes issued by BATIF, BATNF and BATCAP will be issued as dated unsubordinated notes (the "Senior Notes"). The notes issued by BAT may be issued as (a) ordinary subordinated notes (the "Ordinary Subordinated Notes") or (b) deeply subordinated notes (the "Deeply Subordinated Notes" and together with the Ordinary Subordinated Notes, the "Subordinated Notes"), each of which may be either dated or undated. The Subordinated Notes together with the Senior Notes are referred to as the "Notes" that may be issued pursuant to this Programme. This Base Prospectus supersedes any previous base prospectus, offering memorandum, programme memorandum, information memorandum or any amendments or supplements thereto.

Prospective investors should be aware that any investment in Notes involves risks. See the factors described under the section headed "Risk Factors" in this Base Prospectus beginning on page 27.

Under the Programme, each of BATIF, BATNF and BATCAP may from time to time issue Senior Notes and BAT may from time to time issue Subordinated Notes, in each case, such Notes may be issued in bearer form denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). If the applicable Final Terms state that Global Notes (each as defined herein) are to be issued in new global note ("NGN") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche (as defined herein) to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). Global Notes which are not issued in NGN form ("CGNs") will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "Common Depositary"). If so specified in the applicable Final Terms, in respect of an issue of Senior Notes, following the delivery of such Senior Notes into Euroclear or Clearstream, Luxembourg, investors may also hold interests in the Senior Notes through Euroclear UK & Ireland Limited ("CREST") through the issuance of dematerialised depository interests ("CREST Depository Interests" or "CDIs"), issued, held, settled and transferred through CREST, representing interests in the relevant Senior Notes underlying the CDIs (the "Underlying Notes"). CREST Depository Interests are independent securities distinct from the Senior Notes, constituted under, and governed by, English law and transferred through CREST and will be issued by CREST Depository Limited (the "Crest Depository") pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "CREST Deed Poll").

The payments of all amounts payable in respect of the Senior Notes will be unconditionally and irrevocably guaranteed by BAT and each of BATIF, BATNF and BATCAP except where it is the relevant Issuer (the "Guarantors" and each a "Guarantor" and together with the Issuers, the "Obligors"). Subordinated Notes issued pursuant to the Programme will be unguaranteed obligations of BAT. In certain circumstances and as set out in the terms and conditions of the Senior Notes (the "Senior Notes Conditions") or the terms and conditions of the Subordinated Notes (the "Subordinated Notes Conditions", together with the Senior Notes Conditions, the "Conditions" and each being, where the context permits, the "Conditions"), certain other companies may also become guarantors of Notes issued under the Programme.

Application has been made to the Financial Conduct Authority (the "FCA") under Part VI of the Financial Services and Markets Act 2000 (as amended, the "FSMA") for Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof 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 such Notes to be admitted to trading on the London Stock Exchange's main market (the "Market"). References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), as amended (the "UK MiFIR").

This Base Prospectus has been approved by the FCA in accordance with the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "PRM") made pursuant to its rule-making powers under the Public Offers and Admissions to Trading Regulations 2024 (the "POATRs"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the PRM; such approval should not be considered as (a) an endorsement of the Issuers, the Guarantors or the Additional Guarantor (as defined below); or (b) an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The long-term senior debt obligations pursuant to the Programme have been rated A- by Fitch Ratings Ltd ("Fitch"), Baa1 by Moody's Investors Service Ltd ("Moody's") and BBB+ by S&P Global Ratings UK Limited ("S&P"). Short term debt issued or guaranteed by BAT is rated F2 by Fitch, P-2 by Moody's and A-2 by S&P. Fitch, Moody's and S&P are established in the United Kingdom (the "UK") and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law by virtue of EUWA (the "UK CRA Regulation"). Tranches of Notes to be issued under the Programme will either be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Prospectus will be valid as a base prospectus under the PRM for 12 months from 18 March 2026. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

This Base Prospectus has been prepared by the Issuers and approved by the FCA for the purposes of admission to trading on the Market only. BATIF, BATNF and BATCAP may also make an offer of Senior Notes in reliance on the exemption from the prohibition on offers to the public in paragraph 6(a) of Part 1 of Schedule 1 of the POATRs, and any such offer is conditional on the Senior Notes being admitted to the Market. The offer of such Senior Notes may be withdrawn by the relevant Issuer if the Senior Notes are not admitted to the Market on or about the issue date of the relevant Tranche.

Where an offer of the Senior Notes is made in reliance on the exemption from the prohibition on offers to the public in paragraph 6(a) of Part 1 of Schedule 1 of the POATRs, the applicable Final Terms will indicate the offer is conditional on the Senior Notes being admitted to the trading on the Market. The Final Terms in respect of such Senior Notes must be submitted in their definitive form to the FCA and to the London Stock Exchange no later than 2pm on the business day before listing is to become effective. Notes will only be considered to be officially listed when the FCA announces this to the market in the form of its Official List Notice, which is released at 8:00am each business day via a Regulatory Information Service (a "RIS"). Copies of Final Terms in relation to Notes to be listed on the Main Market will also be published on the website of the London Stock Exchange through a RIS. **The offer of such Senior Notes may be withdrawn without liability to the relevant Issuer if the Notes are not admitted to the Market on or about the issue date of the relevant Tranche**.

The Programme provides that Notes of a Series may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer and as set out below. Any such Notes will have a minimum denomination of at least £50,000 (or the equivalent in another currency), will be offered in the UK solely to qualified investors or will be offered in the UK pursuant to another exemption from the prohibition on offers to the public, such exemptions set out in Schedule 1 of the POATRs.

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

Arranger

Deutsche Bank

Dealers

Bank of China	**Barclays**
BBVA	**BofA Securities**
CaixaBank	**Citigroup**
Commerzbank	**Deutsche Bank**
Goldman Sachs Bank Europe SE	**HSBC**
Lloyds Bank Corporate Markets	**Mizuho**
MUFG	**NatWest**
Santander Corporate & Investment Banking	**SMBC**
Standard Chartered Bank	**Wells Fargo Securities**

The date of this Base Prospectus is 18 March 2026

Each of BAT, BATIF, BATNF and BATCAP accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Senior Notes issued under the Programme. Reynolds American Inc. ("RAI" or the "Additional Guarantor") accepts responsibility for the information relating to RAI and the RAI Guarantee (as defined below) contained in this Base Prospectus and the Final Terms for each Tranche of Senior Notes issued under the Programme. Additionally, BAT accepts responsibility for the information contained in the Final Terms for each Tranche of Subordinated Notes issued under the Programme. To the best of the knowledge of BAT, BATIF, BATNF, BATCAP and RAI, each of the foregoing declares that the information (or in the case of RAI, as such information relates to it and/or the RAI Guarantee) contained in this Base Prospectus is in accordance with the facts and that this Base Prospectus makes no omission likely to affect its import.

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

The Obligors have confirmed to the dealers (the "Dealers") named under "Subscription and Sale" below that this Base Prospectus is true and accurate in all material respects and not misleading in any material respect; that the opinions and intentions expressed therein are honestly held; that there are no other facts in relation to the information contained or incorporated by reference in this Base Prospectus the omission of which would, in the context of the issue of the Notes, make any statement therein or opinions or intentions expressed therein misleading in any material respect; and the Obligors have confirmed to the Dealers that all reasonable enquiries have been made to verify the foregoing; provided, however, that the confirmation expressed in this sentence does not extend to the information set out under "*Subscription and Sale*" below.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of the Notes and any other terms and conditions not contained in this Base Prospectus which are applicable to each Tranche of Notes will be set out in a final terms document (the "Final Terms") which will be delivered to the FCA and the London Stock Exchange and will be available on the website of the Regulatory News Service operated by the London Stock Exchange.

This Base Prospectus, together with supplements to this Base Prospectus from time to time (each a "Supplement" and together, the "Supplements"), comprises a base prospectus for the purposes of the PRM and for the purpose of giving information with regards to the Issuers, the Guarantors and the Additional Guarantor which is material to an investor for making an informed assessment of (i) the assets and liabilities, financial position, profits and losses and prospects of the Issuers, and with respect to an issuance of Senior Notes, the Guarantors and the Additional Guarantor, (ii) the rights attaching to the Notes and (iii) the reasons for the issuance and its impact on the Issuers, and with respect to an issuance of Senior Notes, the Guarantors and the Additional Guarantor. In relation to each separate issue of Notes, the final offer price and the amount of such Notes will be determined by the relevant Issuer, and with respect to an issuance of Senior Notes, the Guarantors and the relevant Dealer(s) in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the applicable Final Terms.

This Base Prospectus is prepared solely for the purposes of admission to trading of Notes issued under the Programme to the Market. In respect of any offer of Notes pursuant to this Base Prospectus, the applicable Issuers have authorised the making of an offer of such Notes by any entity named as a Dealer, Manager or (in the case of certain Senior Notes as further set out below) any of the "*Financial intermediaries authorised to use the Base Prospectus and these Final Terms"* (each a "Financial Intermediary"), in each case, as applicable and as set out in the applicable Final Terms. The Issuers have not made arrangements with any financial intermediary other than an entity named as a Dealer, Manager or Financial Intermediary in the applicable Final Terms. An investor purchasing or intending to purchase

any Senior Notes in an offer made in reliance on the exemption in paragraph 6(a) of Schedule 1 to the POATRs from any persons named in or identifiable in the applicable Final Terms as the Financial Intermediary will do so, and offers and sales of such Senior Notes to an investor by such Financial Intermediary will be made, in accordance with the terms and conditions of the offer in place between such Financial Intermediary and such investor including arrangements in relation to price, allocations, expenses and settlement. The relevant Issuer of such Senior Notes will not be a party to any such arrangements with such investors in connection with the offer or sale of the Senior Notes concerned and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The relevant information will be provided by the Financial Intermediary at the time of such offer. None of the Issuers, the Guarantors, the Additional Guarantor or, for the avoidance of doubt, any Dealer has any responsibility or liability to an investor in respect of the information described above.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantors, the Additional Guarantor or the Dealers to subscribe or purchase any of the Notes. The distribution of this Base Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers, the Guarantors, the Additional Guarantor and the Dealers to inform themselves about and to observe any such restrictions.

All references in this Base Prospectus to (a) the "relevant Issuer" shall be construed (unless the context otherwise requires) as a reference to the party named as Issuer in the applicable Final Terms in relation to a particular Series of Notes; and (b) the "Guarantors" or the "relevant Guarantors" shall be construed (unless the context otherwise requires) as a reference to the parties named as Guarantors in the applicable Final Terms in relation to a particular Series of Senior Notes.

For a description of further restrictions on offers and sales of Notes and distribution of this Base Prospectus, see "*Subscription and Sale*" below.

PRIIPs Regulation/Prohibition of Sales to EEA Retail Investors – If the Final Terms, in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms, in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a "retail investor" means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") which applies up to and including 5 April 2026, or disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") which will apply from and including 6 April 2026, for offering, selling or distributing the Notes or otherwise making them available to retail investors in

the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation or DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024, as applicable.

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

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

UK MiFIR product governance/target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each Tranche of Notes about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

If, for the purpose of UK PRIIPs Regulation, the Final Terms in respect of any Tranche of Notes specify that the "Prohibition of Sales to UK Retail Investors" is not applicable, the relevant Issuer, together with the Dealers, may make a determination in relation to a Tranche of Senior Notes that such Senior Notes may be offered, sold or distributed in the UK in accordance with the exemption from the prohibition on offers to the public in paragraph 6(a) of Part 1 of Schedule 1 of the POATRs.

No person has been authorised by the Obligors, the Additional Guarantor, any Dealer or The Law Debenture Trust Corporation p.l.c. (the "Trustee") to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any information supplied by the Obligors or the Additional Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Obligors, the Additional Guarantor, the Trustee or any Dealer.

No representation or warranty is made or implied by the Dealers or the Trustee or any of their respective affiliates, and neither the Dealers, the Trustee nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Save as required by the rules of the FCA, neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Notes shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuers, the Guarantors or the Additional Guarantor since the date hereof or, as the case may be, the date upon which this Base Prospectus has been most recently amended or supplemented or the balance sheet

date of the most recent financial statements which are incorporated into this Base Prospectus by reference or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Amounts payable on certain Subordinated Notes and (in the case of Senior Notes only) Floating Rate Notes may be calculated by reference to EURIBOR (as defined herein), which is provided by the European Money Markets Institute (as administrator of EURIBOR). As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) appears on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) as it forms part of domestic law by virtue of the EUWA (the "UK Benchmarks Regulation").

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Obligors, the Additional Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale" below. In particular, no action has been taken by the Obligors, the Additional Guarantor, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the relevant Dealer or any parent company or affiliate of the relevant Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or such parent company or affiliate on behalf of the relevant Issuer in such jurisdiction. In addition, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("Regulation S")) unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA"), and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Notes, the Obligors have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Neither this Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The information provided in this Base Prospectus is not intended to provide the basis of any credit, taxation, financial, regulatory or other evaluation and neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Obligors, the Additional Guarantor, the Dealers, the Trustee or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Obligors and the Additional Guarantor.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed £25,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Sterling at a rate to be determined either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, calculated in accordance with the provisions of the Programme Agreement). The maximum aggregate principal amount of Notes in respect of each Issuer which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement as defined under "Subscription and Sale" below.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

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

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

(v) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Notes; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities, and each potential investor should consult its legal advisers or the appropriate regulators.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, ONE OR MORE RELEVANT DEALERS (THE "STABILISATION MANAGER(S)") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES OF THE SERIES OF WHICH SUCH TRANCHE FORMS PART AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION ACTION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE

ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In this Base Prospectus, unless otherwise specified, references to: a "Member State" are references to a Member State of the EEA; "EUR", "€" or "euro" refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; "Sterling", "GBP" or "£" refer to the lawful currency of the United Kingdom; "US$" or "US dollars" refer to the lawful currency of the United States of America; "CAD$" refer to the lawful currency of Canada; "ARS" refer to the lawful currency of Argentina; "BRL" refer to the lawful currency of Brazil; "AOA" refer to the lawful currency of Angola; "IDR" refer to the lawful currency of Indonesia; "₦" or "Naira" refer to the lawful currency of Nigeria; "KRW" refer to the lawful currency of South Korea; "MZN" refer to the lawful currency of Mozambique; "BDT" refer to the lawful currency of Bangladesh; "HRK" refer to the lawful currency of Croatia; and "TRY" refer to the lawful currency of Türkiye.

SUPPLEMENTAL BASE PROSPECTUS

If at any time the Issuers shall be required to prepare a supplement to this Base Prospectus pursuant to PRM 10.1, the Issuers will prepare and make available an appropriate amendment or supplement to this Base Prospectus, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, which shall constitute a supplemental prospectus as required by the FCA and PRM 10.1.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the United Kingdom (the "UK") and/or offered pursuant to an exemption set out in Schedule 1 of the POATRs from the prohibition on offers to the public. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid.

FORWARD-LOOKING STATEMENTS

This Base Prospectus may contain forward-looking statements. BAT and its subsidiaries (together, the "Group") may also make written or oral forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about BAT's and/or the Group's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections and such statements reflect BAT and/or the Group's judgement at the date of this Base Prospectus and are not intended to give any assurances as to future results. Forward-looking statements speak only as of the date they are made, and, save as required by the rules of the FCA, BAT and the Group undertake no obligation to update publicly any of them in light of new information or future events. The Issuers, the Guarantors and the Additional Guarantor will comply with their obligations to publish updated information as required by law or by any regulatory authority but assume no further obligation to publish additional information.

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DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

(1) the published consolidated audited annual financial information as at and for the year ended 31 December 2024, together with the audit report thereon, for BATIF contained on pages 8 to 45 of the BATIF 2024 Annual Report (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/BATIF_-_Financial_Statements_-_31_December_2024.pdf*);

(2) the published consolidated audited annual financial information as at and for the year ended 31 December 2025, together with the audit report thereon, for BATIF contained on pages 8 to 45 of the BATIF 2025 Annual Report (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/BATIF_-_Financial_Statements_-_31_December_2025.pdf*);

(3) the published non-consolidated audited annual financial statements as at and for the year ended 31 December 2024, together with the audit report thereon, for BATNF contained on pages 8 to 34 of the BATNF Annual Report for the Year Ended 31 December 2024 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/BATNF_-_Financial_Statements_-_31_December_2024.pdf*);

(4) the published non-consolidated audited annual financial statements as at and for the year ended 31 December 2025, together with the audit report thereon, for BATNF contained on pages 8 to 35 of the BATNF Annual Report for the Year Ended 31 December 2025 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/BATNF_-_Financial_Statements_-_31_December_2025.pdf*);

(5) the published consolidated audited annual financial information as at and for the year ended 31 December 2024, together with the audit report thereon, for BAT contained on pages 248 to 370 of the BAT Annual Report 2024 and Form 20-F 2024 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/reporting/combined-annual-and-sustainability-report/BAT_Annual_Report_Form_20-F_2024.pdf*);

(6) the published consolidated audited annual financial information as at and for the year ended 31 December 2025, together with the audit report thereon, for BAT contained on pages 239 to 354 of the BAT Annual Report 2025 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/reporting/combined-annual-and-sustainability-report/BAT_Annual_Report_2025.pdf*);

(7) the published non-consolidated audited annual financial information as at and for the year ended 31 December 2024, together with the audit report thereon, for BATCAP contained on pages 1 to 23 of the BATCAP Financial Statements for the year ended 31 December 2024 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/BATCAP_-_Financial_Statements_-_31_December_2024.pdf*);

(8) the published non-consolidated audited annual financial information as at and for the year ended 31 December 2025, together with the audit report thereon, for BATCAP contained on pages 1 to 24 of the BATCAP Financial Statements for the year ended 31 December 2025 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/BATCAP_-_Financial_Statements_-_31_December_2025.pdf*);

(9) the published RAI consolidated audited annual financial information as at and for the years ended 31 December 2024 and 31 December 2025, each together with the audit report thereon, for RAI contained on pages 1 to 67 of the RAI Consolidated Financial Statements 2024 and 2025 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/RAI_-_Financial_Statements_-_31_December_2025.pdf*);

(10) the paragraphs under the heading "Non-Financial Measures" on pages 373 to 375 of the BAT Annual Report 2025 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/reporting/combined-annual-and-sustainability-report/BAT_Annual_Report_2025.pdf*);

(11) the paragraphs under the heading "Non-GAAP Measures" on pages 377 to 391 of the BAT Annual Report 2025 (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/reporting/combined-annual-and-sustainability-report/BAT_Annual_Report_2025.pdf*);

(12) the section entitled "Terms and Conditions" on pages 48 to 72 of the Prospectus dated 11 December 2012 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDBN3GUF.pdf*);

(13) the section entitled "Terms and Conditions" on pages 49 to 73 of the Prospectus dated 12 December 2013 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDBN3GU7.pdf*);

(14) the section entitled "Terms and Conditions" on pages 50 to 74 of the Prospectus dated 16 May 2014 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDBN3GTT.pdf*);

(15) the section entitled "Terms and Conditions" on pages 58 to 84 of the Prospectus dated 18 May 2015 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDBN3GTK.pdf*);

(16) the section entitled "Terms and Conditions" on pages 51 to 71 of the Prospectus dated 20 May 2016 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDBN3GTA.pdf*);

(17) the section entitled "Terms and Conditions" on pages 55 to 77 of the Prospectus dated 31 May 2017 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDBN3GSY.pdf*);

(18) the section entitled "Terms and Conditions" on pages 88 to 123 of the Prospectus dated 31 March 2020 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDBNEB55.pdf*);

(19) the section entitled "Terms and Conditions" on pages 100 to 134 of the Prospectus dated 17 March 2022 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/medMDCP8JP3.pdf*); and

(20) the section entitled "Terms and Conditions" on pages 101 to 135 of the Prospectus dated 5 March 2024 relating to the Programme (*https://www.bat.com/content/dam/batcom/global/main-nav/investors-and-reporting/debt-investors/debt-facilities/Base_Prospectus_2024.pdf*),

each of which have been previously published or are published simultaneously with this Base Prospectus and which have been approved by the FCA or filed with it. Such information shall be incorporated in, and form part of, this Base Prospectus save that any statement contained in this Base Prospectus or in any information incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any information subsequently incorporated by reference herein by way of a supplement prepared pursuant to

PRM 10.1 modifies or supersedes such statement (whether expressly, by implication or otherwise). For the avoidance of doubt, information, documents or statements to be incorporated by reference into, or expressed to form part of, the information referred to in (1) to (11) above do not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to above do not form part of this Base Prospectus as they are either not relevant for investors or are covered elsewhere in this Base Prospectus.

In relation to any issue of Notes, the applicable Final Terms should be read in conjunction with this Base Prospectus.

The BATNF financial statements as at and for the 12-month periods ended 31 December 2025 and 31 December 2024 (the "BATNF Financial Statements") have been prepared in accordance with Dutch generally accepted accounting standards ("Dutch GAAP"). Consequently, the BATNF Financial Statements have not been prepared in accordance with UK-adopted international accounting standards and there may be material differences in the BATNF Financial Statements had UK-adopted international accounting standards been applied to the BATNF Financial Statements.

Narrative of differences between Dutch GAAP and UK adopted international accounting standards (UK-adopted International Financial Reporting Standards ("IFRS")) requirements

Summary of Dutch GAAP accounting policy as applied	**Summary of equivalent UK adopted international accounting standards (UK-adopted IFRS) requirements**
Financial Assets: The BATNF Financial Statements contain the following financial assets: long-term loans to shareholder, interest receivable on long term loans to shareholder, amounts due from affiliated companies and cash pooling receivables in amounts due from affiliated companies. Financial assets are initially measured at fair value, including discount or premium and directly attributable transaction costs. Receivables are measured at initial recognition at fair value, plus transaction costs. After initial recognition, receivables are measured at amortised cost on the basis of the effective interest method, less impairment losses. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the receivables, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Financial assets are assessed for impairment at the end of each reporting period. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.	**Financial Assets:** In the context of the BATNF Financial Statements, BATNF considers the requirements of Dutch GAAP to be materially consistent with those of UK-adopted IFRS with the exception of the methodology applied to measurement of impairment losses. Under UK-adopted IFRS (IFRS 9 *Financial Instruments*), impairment losses are measured using an 'expected credit loss' model whereas under Dutch GAAP they are measured using an 'incurred credit loss' model. Unlike the incurred credit loss model, the expected credit loss model is required to consider forward looking information available at the balance sheet date. With regard to balances due from group undertakings, this involves an initial assessment of credit risk performed at the date of the instrument's origination and a reassessment at each subsequent balance sheet date to determine whether there has been a relatively significant increase in credit risk or whether the asset has become credit impaired. This assessment is used to determine the level of impairment provision ("allowance") required.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the profit and loss account. Financial assets are derecognised when the contractual rights to cashflows expire, are settled, or are transferred to another party.	
Financial liabilities: The BATNF Financial Statements contain the following financial liabilities: long-term debts to third parties, interest payable on long-term debts to third parties, and amounts payable to affiliated companies. Financial liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial liabilities are initially measured at fair value, including discount or premium and directly attributable transaction costs. After initial recognition, long-term and current liabilities and other financial commitments are measured at amortised cost on the basis of the effective interest method. If no premium or discount and transaction costs are applicable, the amortised cost is equal to the nominal value of the liability. Redemption payments regarding long-term liabilities that are due next year, are presented under current liabilities. The effective interest is directly recorded in the profit and loss account. Financial liabilities are derecognised when the liability is extinguished.	**Financial liabilities:** In the context of the BATNF Financial Statements, BATNF considers the requirements of Dutch GAAP to be materially consistent with those of UK-adopted IFRS.
Finance costs: Costs incurred in raising debt that has been drawn are deducted from the carrying value of the debt and amortised over its term at the effective interest rate.	**Finance costs:** In the context of the BATNF Financial Statements, BATNF considers the requirements of Dutch GAAP to be materially consistent with those of UK-adopted IFRS.

Financial income and expenses: Interest receivable and payable is recognised using the effective interest method.	**Financial income and expenses:** In the context of the BATNF Financial Statements, BATNF considers the requirements of Dutch GAAP to be materially consistent with those of UK-adopted IFRS.
Fair value measurement: The fair value of a financial instrument is the amount for which an asset can be sold, or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.	**Fair value measurement:** In the context of the BATNF Financial Statements, BATNF considers the requirements of Dutch GAAP to be materially consistent with those of UK-adopted IFRS. Under Dutch GAAP, the disclosure requirements on fair value are less comprehensive, however.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time-to-time issue Notes denominated in any currency and having a minimum maturity of one month, subject as set out in this Base Prospectus. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as completed by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*" below. This Base Prospectus and any supplement will only be valid for admitting Notes to the Official List during the period of 12 months from the date hereof in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed £25,000,000,000 or its equivalent in other currencies. For the purpose of calculating the Sterling equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(1) the Sterling equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes, described under "*Form of the Notes*" below) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the Sterling against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation; and

(2) the Sterling equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Senior Notes, described under "*Form of the Notes*" below) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

As used herein "Specified Currency" means, in relation to an issue of Notes, the currency stated as such in the applicable Final Terms.

DESCRIPTION OF THE PROGRAMME

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the relevant terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes", "Terms and Conditions of the Senior Notes" and "Terms and Conditions of the Subordinated Notes" (as applicable) below shall have the same meanings in this description.

This overview constitutes a general description of the Programme for the purposes of Appendix 1, Annex 3.2 of the PRM.

Issuers	British American Tobacco p.l.c. ("BAT") (in respect of Subordinated Notes only)
	B.A.T. International Finance p.l.c. ("BATIF") (in respect of Senior Notes only)
	B.A.T. Netherlands Finance B.V. ("BATNF") (in respect of Senior Notes only)
	B.A.T Capital Corporation ("BATCAP") (in respect of Senior Notes only)
Guarantors (Senior Notes only)	British American Tobacco p.l.c. ("BAT") (in respect of Senior Notes only)
	BATIF (in respect of Senior Notes only and except where it is the Issuer of such Senior Notes)
	BATNF (in respect of Senior Notes only and except where it is the Issuer of such Senior Notes)
	BATCAP (in respect of Senior Notes only and except where it is the Issuer of such Senior Notes)
	In certain circumstances (as described in Condition 2 of the Senior Notes), certain other companies may also become guarantors of Notes issued under the Programme.
Description of Programme	Euro Medium Term Note Programme
Arranger	Deutsche Bank AG, London Branch
Dealers	Banco Bilbao Vizcaya Argentaria, S.A.
	Banco Santander, S.A.
	Bank of China Limited, London Branch
	Barclays Bank PLC
	BofA Securities Europe SA
	CaixaBank, S.A.
	Citigroup Global Markets Europe AG
	Citigroup Global Markets Limited
	Commerzbank Aktiengesellschaft
	Deutsche Bank AG, London Branch
	Goldman Sachs Bank Europe SE
	HSBC Bank plc

	Lloyds Bank Corporate Markets plc Merrill Lynch International Mizuho International plc Mizuho Bank Europe N.V. MUFG Securities EMEA plc NatWest Markets Plc SMBC Bank EU AG SMBC Bank International plc Standard Chartered Bank Wells Fargo Securities Europe S.A. Wells Fargo Securities International Limited and any other Dealers appointed in accordance with the Programme Agreement.
Method of Issue	The Notes issued under the Programme may comprise: (i) senior notes (the "Senior Notes"); or (ii) subordinated notes (the "Subordinated Notes"). Subordinated Notes issued under the Programme may comprise: (i) deeply subordinated notes if the applicable Final Terms specifies that the Notes are Deeply Subordinated Notes; or (ii) ordinary subordinated notes if the applicable Final Terms specifies that the Notes are Ordinary Subordinated Notes. (see "*Status of the Subordinated Notes*" below)
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*").
Issuing and Principal Paying Agent	Citibank, N.A., London Branch
Paying Agent	Citibank Europe PLC
Trustee	The Law Debenture Trust Corporation p.l.c.
Programme Size	Up to £25,000,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Programme*") outstanding at any time. The Obligors may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer(s).
Maturities	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to compliance with all laws or regulations applicable to the relevant Issuer, the relevant Guarantors (if applicable) and/or the relevant Specified Currency. Subordinated Notes may be perpetual and have no maturity.
Issue Price	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par as specified in the applicable Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantors (if applicable) and the relevant Dealer(s) at the time of issue in accordance with the prevailing market conditions.
Form of Notes	The Notes will be in bearer form (but will be issued so as to be in registered form for United States federal income tax purposes) and will on issue be represented by a permanent Global Note. Each permanent Global Note will be exchangeable for definitive Notes only upon the occurrence of an Exchange Event, as described under "*Form of the Notes*". In respect of CDIs in the Senior Notes, to the extent applicable, CDI Holders will hold CDIs constituted and issued by the CREST Depository and representing indirect interests in the Senior Notes. The CDIs will be issued and settled through CREST. Neither the Senior Notes nor any rights thereto will be issued, held, transferred or settled within the CREST system otherwise than through the issue, holding, transfer and settlement of CDIs. CDI holders will not be entitled to deal directly in the Senior Notes and accordingly all dealings in the Senior Notes will be effected through CREST in relation to the holding of CDIs.
Fixed Rate Notes (Senior Notes only)	In respect of Senior Notes only, fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s).
Floating Rate Notes (Senior Notes only)	In respect of Senior Notes only, Floating Rate Notes will bear interest at a rate determined on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service. The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes. Floating Rate Notes may

	also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer(s).
Reset Rate Notes (Subordinated Notes only)	The Subordinated Notes are Reset Rate Notes. Subject to "*Optional Interest Deferral*" below, fixed interest will be payable at the Initial Rate of Interest in arrear on the Interest Payment Date(s) in each year for an initial period as specified in the applicable Final Terms. Thereafter, subject, if applicable, to the application of the benchmark discontinuation provisions described in Condition 4(b) of the Conditions of the Subordinated Notes, interest may be recalculated on certain dates specified by reference to a Mid-Swap Rate or a Benchmark Gilt Rate for the relevant currency, and for a period equal to the relevant Reset Period, as adjusted for any applicable Margin, in each case as may be specified in the applicable Final Terms.
Optional Interest Deferral (Subordinated Notes only)	BAT, as Issuer of a Series of Subordinated Notes, may, at its discretion, elect to defer payment of all or part of any Interest Amount which is otherwise scheduled to be paid on an Interest Payment Date by giving a Deferral Notice. Subject as described in Condition 5(c) of the Conditions of the Subordinated Notes as applicable to the relevant Series of Subordinated Notes, if BAT elects not to make payment of all or part of any Interest Amount on an Interest Payment Date in accordance with Condition 5(a) of the Conditions of the Subordinated Notes, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute a default or any other breach by BAT of its obligations under the Subordinated Notes or for any other purpose. Any Deferred Interest Payment shall itself bear interest at the Rate of Interest prevailing from time to time, such further interest being compounded on each Interest Payment Date. Non-payment of Deferred Interest (or part thereof) shall not constitute a default by BAT under the Subordinated Notes or for any other purpose, unless such payment is required in accordance with Condition 5(c) of the Conditions of the Subordinated Notes, as applicable to the relevant Series of Subordinated Notes. Deferred Interest may be paid at the option of BAT in whole or in part at any time following delivery of a notice to such effect.
Mandatory Payment of Deferred Interest (Subordinated Notes only)	Notwithstanding the above and the provisions of Conditions 5(a) and 5(b) of the Conditions of the Subordinated Notes,

	BAT shall pay any accrued but unpaid Deferred Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.
Zero Coupon Notes (Senior Notes only)	In respect of Senior Notes only, Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Benchmark discontinuation	If Floating Rate Notes or Subordinated Notes (as applicable) provide for a Rate of Interest (or any component part thereof) to be determined by reference to an Original Reference Rate, on the occurrence of a Benchmark Event, the relevant Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread (if any) and any Benchmark Amendments in each case, in accordance with Condition 4(b)(ii)(B) of the Conditions of the Senior Notes or Condition 4(b) of the Conditions of the Subordinated Notes, as applicable.
Redemption (Senior Notes only)	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons as set out in Condition 6(b) of the Conditions of the Senior Notes or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving not more than 30 nor less than 10 days' notice (or such other notice period as specified in the applicable Final Terms) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer(s) and specified in the applicable Final Terms. Senior Notes issued on terms that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution. See "*Certain Restrictions*" above and "*Denomination of Notes*" below.
Redemption (Subordinated Notes only)	The applicable Final Terms will indicate if all, but not some only of the relevant Subordinated Notes can be redeemed at the option of BAT (upon giving the applicable notice to the Noteholders) on a date or dates specified and at a price or prices and on such other terms as may be agreed between BAT and the relevant Dealer(s) and as specified in the applicable Final Terms, together with any accrued and unpaid interest up to (but excluding) the redemption date and any accrued but unpaid Deferred Interest (if applicable).
Special Event Redemption (Subordinated Notes only)	If a Special Event has occurred (and, as applicable, is continuing and, in the case of a Clean-Up Call Event, Clean-Up Call is specified as applicable in the applicable Final Terms) BAT may, subject to the detailed provisions set out in

	Conditions 7(c) - 7(f) and Condition 9 in the Conditions of the Subordinated Notes redeem all, but not some only, of the Subordinated Notes at the relevant early redemption amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any accrued but unpaid Deferred Interest (if applicable).
Substitution or Variation (Subordinated Notes only)	If a Rating Capital Event, an Accounting Event, a Tax Deductibility Event, a Tax Law Change Event or a Withholding Tax Event has occurred and is continuing, then BAT may (without the consent of the Noteholders but subject to the detailed provisions set out in Condition 8 and Condition 9 of the Conditions of the Subordinated Notes) either (i) substitute all, but not some only, of the Subordinated Notes for, or (ii) vary the terms of the Subordinated Notes with the effect that they remain or become, as the case may be, Qualifying Notes, as more particularly described in Condition 8 of the Conditions of the Subordinated Notes.
Denomination of Notes	Senior Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by any laws or regulations applicable to the relevant Specified Currency. The Specified Denominations for any Subordinated Notes shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Subordinated Notes). In addition, unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are accepted by the relevant Issuer in the United Kingdom and which have a maturity of less than one year will (A) have a denomination of £100,000 (or its equivalent in other currencies) and be issued only to (1) persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or (2) persons who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (B) be issued in other circumstances which do not constitute a contravention of Section 19 of the FSMA by the relevant Issuer. See also "*Listing*" below.
Taxation	All payments of principal and interest in respect of the Senior Notes issued by BATIF will be made without withholding or deduction for or on account of taxes of the United Kingdom, unless such withholding is required by law. In the event that any such withholding or deduction is made, BATIF or, as the case may be, the relevant Guarantor will, save in certain limited circumstances provided in Condition 7 of the

	Conditions of the Senior Notes, be required to pay additional amounts to cover the amounts so withheld or deducted. All payments of principal and interest in respect of the Senior Notes issued by BATNF will be made without withholding or deduction for or on account of taxes of The Netherlands, unless such withholding or deduction is required by law. In the event that such withholding or deduction is made, BATNF or, as the case may be, the relevant Guarantor will, save in certain limited circumstances provided in Condition 7 of the Conditions of the Senior Notes, be required to pay additional amounts to cover the amounts so withheld or deducted. All payments of principal and interest in respect of the Senior Notes issued by BATCAP will be made without withholding or deduction for or on account of taxes of the United States of America, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, BATCAP or, as the case may be, the relevant Guarantor will, subject to the exceptions and limitations provided in Condition 7 of the Conditions of the Senior Notes, be required to pay additional amounts to cover the amounts so withheld or deducted. All payments of principal and interest in respect of the Subordinated Notes issued by BAT will be made without withholding or deduction for or on account of any Taxes of the United Kingdom, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, BAT will, save in certain limited circumstances provided in Condition 11 of the Conditions of the Subordinated Notes, be required to pay additional amounts to cover the amounts so withheld or deducted.
Status of the Senior Notes	The Senior Notes will constitute direct, unconditional and (subject to the provisions of Condition 3 of the Conditions of the Senior Notes) unsecured obligations of the relevant Issuer and will rank *pari passu* and without any preference among themselves and (subject as aforesaid and save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding up may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer from time to time outstanding.
Status of the Subordinated Notes	The Deeply Subordinated Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of BAT and will rank *pari passu*, without any preference or priority among themselves and *pari passu* with any applicable Parity Obligations. The rights and claims of the Noteholders and Couponholders of Deeply Subordinated Notes are subordinated as described in Condition 3(a) of the Conditions of the Subordinated Notes.

	The Ordinary Subordinated Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of BAT and will rank *pari passu*, without any preference or priority among themselves and *pari passu* with any applicable Parity Obligations. The rights and claims of the Noteholders and Couponholders of Ordinary Subordinated Notes are subordinated as described in Condition 3(b) of the Conditions of the Subordinated Notes.
Subordination (Subordinated Notes only)	The rights and claims of the Noteholders and related Couponholders will be subordinated to the claims of holders of all applicable Senior Obligations in the event of an order being made, or an effective resolution being passed, for the winding-up of BAT (except, in the circumstances set out in Condition 3(a)(i) or 3(b)(i) of the Conditions of the Subordinated Notes (as applicable)), or in the event of an administrator of BAT being appointed and such administrator giving notice that it intends to declare and distribute a dividend. The Subordinated Notes will rank *pari passu* with the claims of holders of all applicable Parity Obligations; and in priority to the claims of holders of all applicable Junior Obligations. For the avoidance of doubt, in the case of any Ordinary Subordinated Notes, Junior Obligations includes Deeply Subordinated Notes. Accordingly, the claims of holders of all applicable Senior Obligations will first have to be satisfied in any winding-up or analogous proceedings of BAT before the Noteholders or (if applicable) Couponholders may expect to obtain from BAT any recovery in respect of their Subordinated Notes or matured but unpaid Coupons (including any accrued but unpaid Deferred Interest in respect of such Coupons), as the case may be, and prior thereto any Noteholder or (if applicable) Couponholder will have only limited ability to influence the conduct of such winding-up or analogous proceedings. See "*Risk Factors - BAT's obligations in respect of the Subordinated Notes are subordinated".*
No Set-off, etc. (Subordinated Notes only)	Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by BAT in respect of, or arising under or in connection with the Subordinated Notes or the Coupons and each Noteholder and Couponholder shall, by virtue of their holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.
Negative Pledge (Senior Notes only)	In respect of Senior Notes only, the terms of the Senior Notes will contain a negative pledge provision as further described in Condition 3 of the Conditions of the Senior Notes.
Cross Default (Senior Notes only)	In respect of Senior Notes only, the terms of the Senior Notes will contain a cross default provision as further described in Condition 9 of the Conditions of the Senior Notes.

Events of Default (Senior Notes only)

In respect of Senior Notes only, the terms of the Senior Notes will contain, amongst others, the following events of default:

(a) default in payment of any principal or interest due in respect of the Senior Notes, continuing for the respective periods of time specified in Condition 9(a)(i) of the Conditions of the Senior Notes;

(b) non-performance or non-observance by the relevant Issuer or any Guarantor of any of its other obligations under the Conditions of the Senior Notes or the Trust Deed continuing for the period of time specified in Condition 9(a)(ii) of the Conditions of the Senior Notes;

(c) a cross-acceleration provision in respect of Borrowed Moneys Indebtedness of the relevant Issuer or any Guarantor as further described in Condition 9(a)(iii) of the Conditions of the Senior Notes;

(d) certain events relating to the insolvency or winding up of the relevant Issuer or Guarantor as further described in Condition 9(a)(iv) – (vii) of the Conditions of the Senior Notes; and

(e) for any reason whatsoever any guarantee ceases to be binding on and enforceable against the relevant Guarantor other than with the prior written consent of the Trustee or the sanction of an Extraordinary Resolution of the Noteholders as further set out in Condition 9(a)(viii) of the Conditions of the Senior Notes.

Enforcement Events (Subordinated Notes only)

In respect of Subordinated Notes only, if a default is made by BAT for a period of 14 days or more in the payment of any principal or for a period of 21 days or more in the payment of any interest (including any Deferred Interest payable under Condition 5(c) of the Conditions of the Subordinated Notes) in respect of the Subordinated Notes which is due and payable, then BAT shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Subordinated Notes and the Coupons and the Trustee at its sole discretion may (subject to Condition 13(c) of the Conditions of the Subordinated Notes), and if so requested in writing by the Noteholders of at least one-quarter in nominal amount of the Subordinated Notes or directed by an Extraordinary Resolution, shall institute actions, steps or proceedings for the winding-up of BAT and/or prove in the winding-up or administration of BAT and/or claim in the liquidation or administration of BAT for such payment, such claim being as contemplated in Condition 3(a) of the Conditions of the Subordinated Notes (in the case of Deeply Subordinated Notes) or Condition 3(b) of the Conditions of the Subordinated Notes (in the case of Ordinary Subordinated Notes).

No Noteholder shall be entitled to proceed directly against BAT or to institute actions, steps or proceedings for the winding-up of BAT and/or prove in the winding-up or administration of BAT and/or claim in the liquidation or administration of BAT unless the Trustee fails or is unable to do so in accordance with Condition 13(d) of the Conditions of the Subordinated Notes.

Replacement Intention (Subordinated Notes only)

In respect of Subordinated Notes only, BAT intends (without thereby assuming a legal obligation) that it will (but is not obliged to) redeem or repurchase the Subordinated Notes only to the extent that the Subordinated Notes are replaced with instrument(s) which provide at least an equivalent quantum of "equity credit" (or such other nomenclature used from time to time), unless:

(a) the Subordinated Notes are redeemed pursuant to a Rating Capital Event, a Tax Deductibility Event, a Tax Law Change Event, an Accounting Event or a Withholding Tax Event having occurred; or

(b) such redemption or repurchase is made in any other circumstance where redemption or repurchase without replacement is consistent with rating agencies' assessment criteria.

Guarantee (Senior Notes only)

In respect of Senior Notes only, the Senior Notes will be unconditionally and irrevocably and jointly and severally guaranteed by the Guarantors (the "Guarantees" and each a "Guarantee"). The obligations of each Guarantor under such guarantee will be direct, unconditional and (subject to the provisions of Condition 3 of the Conditions of the Senior Notes) unsecured obligations of such Guarantor and (subject as aforesaid and save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding up may give preference to any of such other obligations) will rank equally with all other unsecured and unsubordinated obligations of such Guarantor from time to time outstanding. The Senior Notes will also, until the Termination Date (as defined below), be irrevocably and unconditionally guaranteed by RAI pursuant and subject to the Deed of Guarantee (as defined below) on a joint and several basis with the Guarantors. For further information, see "*RAI – Deed of Guarantee*" below.

Ratings

The long-term senior debt obligations pursuant to the Programme have been rated A- by Fitch, Baa1 by Moody's and BBB+ by S&P. Fitch, Moody's and S&P are established in the UK and registered under the UK CRA Regulation. Tranches of Notes to be issued under the Programme will either be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme. Where a Tranche of Notes

	is rated, the applicable rating(s) will be specified in the applicable Final Terms.
Listing	Application has been made for Notes issued under the Programme to be admitted to the Official List of the FCA and for such Notes to be admitted to trading on the Market. The applicable Final Terms will indicate whether the Notes of a relevant Series will be admitted to the Official List and admitted to trading on the Market. An Issuer of the Senior Notes may issue Notes that are not listed or admitted to trading on any stock exchange or market or that are admitted to trading on another stock exchange or market, as indicated in the applicable Final Terms, provided that such Notes (a) have a minimum denomination of at least £50,000 (or an equivalent amount), (b) are offered solely to qualified investors (as defined in paragraph 15 of Schedule 1 to the POATRs) and/or (c) another exemption from the prohibition on offers to the public set out in Schedule 1 to the POATRs is available.
Governing Law	The Notes, and any non-contractual matters arising out of or in connection with them, will be governed by, and construed in accordance with, English law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the UK, the EEA (including Belgium, The Netherlands and the Republic of Italy), Japan, Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes – see "*Subscription and Sale*" below.
United States Selling Restrictions	Regulation S, Category 2.

RISK FACTORS

The following factors may affect the ability of the Issuers, the Guarantors and the Additional Guarantor (in respect of Senior Notes issuances) to fulfil their obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur.

In addition, factors which could be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Obligors and the Additional Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme and any prospective purchasers of the Notes should note that, should any of the circumstances discussed in this risk factors section arise, they may lose the value of their entire investment. Prospective purchasers of the Notes offered under the Programme should note that the inability of the Obligor(s) and the Additional Guarantor (as applicable) to pay interest, principal or other amounts on or in connection with any Notes may occur for reasons other than those stated below and neither the Obligors nor the Additional Guarantor represent that such statements below regarding the risks of holding any Notes are exhaustive. Prospective purchasers of Notes should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decisions.

1 Factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme and the Guarantors' and the Additional Guarantor's ability to fulfil their respective obligations under the Guarantees

A. Business execution and supply chain risks

Competition from illicit trade

Illicit trade in the form of counterfeit products, diversion of genuine Group products, products that are smuggled illegally across borders, and locally manufactured products, which do not comply with applicable regulations and/or in which applicable taxes are evaded, has had a significant impact and continues to represent a significant and growing threat to the legitimate tobacco industry, including "New Categories" products (defined as including vapour products, heated products ("HP") and modern oral products). Factors such as increasing levels of taxation and inflation, economic downturn and increased cost of living, lack of law enforcement, appropriate penalties and weak border control are encouraging more adult tobacco and New Categories consumers to switch to illegal cheaper tobacco and New Categories products and are providing greater rewards for counterfeiters and smugglers. Regulatory restrictions such as plain packaging or graphic health warnings, display bans, flavour or ingredient restrictions and increased compliance costs further disadvantage legitimate industry participants by providing competitive advantages to illicit manufacturers and distributors of illicit tobacco and New Categories products.

Illicit trade has an overall negative impact on society, deprives governments of revenues and encourages various forms of crime such as terrorism, money laundering and human trafficking. Above all, illicit trade has an adverse effect on the Group's overall business and reputation. Illicit trade can damage brand equity, which could undermine the Group's investment in trade marketing and distribution, increase operational costs where products may become commoditised, make it more difficult to adhere to underage prevention and decrease volumes sold. Although anti-illicit trade is an integral part of the Group's Standards of Business Conduct ("SoBC"), representing the Group's internal commitment in the fight against illicit trade and setting out the controls all Group companies must have in place and adhere to, it cannot prevent all instances of illicit trade.

Furthermore, counterfeit products (especially New Categories) and other illicit products could harm consumers, damage goodwill and/or the category (with lower volumes and reduced profits), and could potentially lead to misplaced claims against BAT, further regulation and a failure to deliver the Group's

corporate harm reduction objective. Illicit trade may also reduce the Group's ability to take price increases due to competitive pressure from cheaper illegal products.

Finally, as the Group has contractual and legislative obligations to prevent the diversion of its products into illicit channels, actual breaches of the obligations to prevent product diversion into illicit channels have resulted, and may continue to result, in substantial fines in the forms of seizure payments and legislative penalties (including financial penalties). Additionally, actual and perceived breaches may result in the risk of reputational damage (including negative perceptions of the Group's governance and its sustainability credentials) from Group products being found in illicit channels.

Geopolitical tensions that have the potential to disrupt the Group's business in multiple markets

The Group's operations and financial condition are influenced by the economic and political situations in the markets and regions in which it has operations, which are often unpredictable and outside of its control. Some markets in which the Group operates face the threat of civil unrest and can be subject to frequent changes in regime. In others, there is a risk of terrorism, conflict, global health crisis, war, organised crime or other criminal activity. The Group is also exposed to economic policy changes in jurisdictions in which it operates, for example state nationalisation of assets and withdrawal from international and/or bilateral trade agreements including the introduction of tariffs or trade embargoes. In addition, some markets maintain trade barriers or adopt policies that favour domestic producers, preventing or restricting the Group's sales. Given the outsourcing of certain services to third-party providers, the risk may be amplified where such services are highly concentrated within a single country or region, increasing exposure to local geopolitical instability. Geopolitical tensions caused by the effects of climate change and associated events, such as, but not limited to, water shortages, flooding, amplified natural disasters and resultant disease outbreaks, land and food shortages, unemployment, and migration may also adversely impact the Group's business.

Deterioration of socio-economic or political conditions have led, and could in the future lead, to injury or loss of life, restricted mobility, loss of assets and/or denial of access to BAT sites that reduce the Group's access to particular markets or may disrupt the Group's operations, such as supply chain, or manufacturing or distribution capabilities. Such disruptions, including attacks on shipping routes in the Red Sea, may result in increased taxes and/or other costs due to the requirement for more complex supply chain and security arrangements, the need to build new facilities or to maintain inefficient facilities, or in a reduction of the Group's sales volume. Further, there may be reputational damage, including negative perceptions of the Group's governance and protection of its people and its sustainability credentials.

Injury, illness or death in the workplace

The Group considers the safety of its employees and other individuals working with it as of utmost importance and fundamental concern. Loss of life, serious injury, disability or illness to employees or individuals due to accident, geopolitical tension or other events may occur during the research, manufacturing, distribution or retail of the Group's products.

Past events have led, and future events may lead, to serious injuries, ill health, disability or loss of life to employees and individuals who work with the Group. This may result in reputational damage, difficulties in recruiting and retaining staff, exposure to civil and criminal liability, prosecution and fines and penalties. These impacts could have an adverse effect on the Group's results of operations and financial condition and have a negative impact on its sustainability credentials.

Disruption to the Group's or its third-party providers' digital and information technology ("IT") systems, including by cyberattack, human error, or the malicious manipulation or disclosure of confidential or sensitive information

The Group relies on a complex and interconnected digital ecosystem, including information and digital technology ("IDT") systems, to support core business activities, such as manufacturing, distribution, marketing, customer engagement, research and development and financial and management reporting. The Group's operations are exposed to disruptions arising, not only from internal system failures or vulnerabilities but also from outages, security breaches, or performance issues affecting external vendors, cloud service providers, and other critical third-party technology partners. There is a risk that the digital landscape in the Group or across its third-party providers may be compromised by intentional or unintentional actions. These include cyber-attacks, insider threats, system misconfigurations, or human error.

The external threat landscape continues to intensify, with adversaries leveraging artificial intelligence ("AI") powered tools and nation-state capabilities. The Group's own adoption of AI technologies, whether in products, services or supply chain operations, may further increase exposure to cyber threats and introduce new attack vectors.

The Group's digital ecosystem is continuously under attack by third parties. The Group experiences cybersecurity threats and incidents that are typical for organisations in the same industry of a similar size, including phishing attempts, malware activity, and unauthorised access attempts. Although as of the date of this Base Prospectus, the Group has not experienced any cybersecurity incident, including those arising from third-party provider failures, that has materially affected the Group's business strategy, results of operations, or financial condition, such an event could occur in the future.

The Management recognises that digital and cyber threats could pose significant risks to the Group's business, reputation, financial condition, and stakeholder trust. Any disruption to IDT systems related to the Group's operations could adversely affect its business and result in financial, legal and reputational impacts. Any delays or failure to detect or respond to attempts to gain unauthorised access to the Group's IT systems can lead to a loss in confidentiality, integrity or availability of systems and/or data. Failure to comply with digital, data protection or cybersecurity regulations could result in regulatory investigations, enforcement actions, fines, legal exposure or operational restrictions.

Failure to meet current or future New Categories demand

The New Categories supply chain is a multi-tiered and complex environment with reliance on multiple factors, such as third-party suppliers' ability to upscale production in order to meet demand while maintaining product quality, dependency on single suppliers at various points in the chain and the Group's ability to build adequate consumables production capacity in line with product demand. The geographical spread of suppliers and customers exposes the Group to political and economic issues such as trade wars and tariff increases, which may compromise the New Categories supply chain. Given the developing nature of the New Categories portfolio, there is also an enhanced risk that some products may not meet product quality and safety standards or may be subject to regulatory changes, leading to product recalls, which the Group has experienced in the past, or bans of certain ingredients or products (such as the ban on menthol in the Group's New Categories products in California) or failure of products to receive regulatory approval (such as the initial denial (currently subject to an appeal) of a Premarket Tobacco Product Application ("PMTA") for the Group's Vuse menthol and mixed berry products in the United States). In addition, the New Categories supply chain may be vulnerable to changes in local legislation related to liquid nicotine that could increase import duties. Furthermore, the New Categories supply chain includes the development of sensitive trade secrets jointly with external design partners, which carries the risk of exposure of innovations to competitors.

Vulnerabilities in the New Categories supply chain may impact the Group's ability to maintain supply and meet the current and future demand requirements across the New Categories portfolio, potentially resulting in significant reputational harm and financial impact that may negatively affect the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans. Over-forecasting has led, and may also in the future lead, to write-offs and negatively impact working capital. The design of New Categories devices may also prevent the scaling of commercial manufacturing, which will either restrict supply or increase the costs of production.

Further, there may be loss of investors' confidence in sustainability performance, including failure to deliver the Group's corporate purpose of harm reduction.

In addition, changes in local legislation related to liquid nicotine import duties may increase New Categories production costs, which may increase end market pricing and reduce demand. Furthermore, the exposure of sensitive trade secrets can lead to competitive disadvantages and further negatively impact the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Failure of a financial counterparty

The Group relies on transactions with a variety of financial counterparties to manage the Group's business and financial risks. In the event that any of these counterparties fails, payments due from such counterparties, such as under hedging or insurance contracts, may not be recovered. In addition, failure of a transactional banking party may lead to the loss of cash balances and disruption to payment systems provided by such counterparty, resulting in the inability of collecting revenue and settling payment obligations.

The inability to recover payments due from one or more failed financial counterparties or the loss of cash balances may cause significant financial loss and have an adverse impact on the Group's results of operations, financial condition and financial risk profile. In addition, the loss of cash balances or a disruption to payment systems may cause disruption to the Group's ongoing operations and ability to pay its creditors and suppliers.

Exposure to unavailability of, and price volatility in, raw materials and increased costs of employment

The availability and price of various commodities required in the manufacture of the Group's products fluctuate. Raw materials and other inputs used in the Group's business, such as wood pulp and energy, are commodities that are subject to price volatility caused by numerous factors, including inflation, political influence, introduction of new or higher tariffs or trade embargoes, market fluctuations and natural disasters.

Similarly, the Group is exposed to the risk of an increase above inflation in employment costs, including due to governmental action to introduce or increase minimum wages. Employment and health care law changes and the increase in inflation may also increase the cost of provided health care and other employment benefits expenses.

Restricted availability and price volatility of commodities may result in supply shortages and unexpected increases in costs for raw materials and packaging for the Group's products, which may affect the Group's results of operations and financial condition.

The Group has experienced some of these effects in the last several years, including higher cost of direct materials due to energy scarcity, increase in transportation rates and commodity prices, as well as increases in utility costs, all of which have led to increases in overall cost. While inflation also caused an increase in employment costs, this did not have a material adverse effect to the Group's profitability. However, the Group cannot assure that this will not be materially affecting the Group's profitability in the future.

The Group has not always been able to, and in the future may not be able to, increase prices to offset increased costs without suffering reduced sales volume and revenue. In the absence of compensating for increased costs through pricing, significant increases in raw material, packaging and employment costs above inflation will impact product margins, leading to lower profits and negatively affecting the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Failure to retain key personnel or to attract and retain skilled talent

The Group relies on a number of highly experienced employees with detailed knowledge of the tobacco and nicotine industry and other areas of focus for the Group, including New Categories and Beyond Nicotine products (defined as products offering wellbeing and stimulation). Similarly, the Group is dependent on its ability to identify, attract, develop and retain such qualified personnel in the future. The Group is also dependent on external hires to ensure the Group is equipped with the right new business-critical capabilities and knowledge to accelerate transformation. BAT anticipates that this trend will continue and therefore the ability to continue to build awareness, increase reach and ultimately attract the new target audience remains a primary focus.

There are shifts in the career development expectations of employees, from a traditional one company long tenure approach to a much shorter tenure focused on critical experiences and challenges. Furthermore, broader economic and sustainability trends (e.g. the Group's delivery against sustainability-related ambitions and volatility in remuneration outcomes linked to the Group's share price) may impact the Group's ability to retain key employees and may increase competition for highly talented employees. Whilst the Group is enhancing its effort on retaining critical capabilities and knowledge, building the right leadership behaviour and organisational culture, and focusing on employee development and engagement, the retention risk of experienced employees remains an area requiring management attention. Furthermore, if the Group were to fail to introduce appropriately leveraged and differentiated pay-for-performance for key employees, this may exacerbate the risk of not retaining such key personnel and attracting appropriately skilled talent in the future. This may expose the Group to the risk of not being able to conduct future succession planning successfully.

If the Group is unable to retain its existing key employees, fails to attract and retain skilled talent in the future, critical positions may be left vacant, resulting in a failure to retain and advance critical business knowledge required for its transformation, as well as adversely impacting the Group's results of operations, financial condition and achieving broader business objectives, such as its sustainability ambitions.

High voluntary employee turnover may also reduce organisational performance and productivity, leading to further adverse impact on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Disruption to the supply chain and distribution channels

The Group has adopted an increasingly global approach to managing its supply chain, including distribution channels. Disruption to the Group's supply chain may be caused by various factors, including, but not limited to, disruption to suppliers' operations or to distribution channels, and the deterioration in the financial condition of a trading partner. Such disruption may also be caused by cyber events, global health crises, political tensions, wars, strikes, riots, civil commotion, major fires, severe weather conditions or other natural disasters which affect manufacturing or other facilities of the Group's operating subsidiaries or those of their suppliers and distributors. The Group has experienced such disruptions in the past, including, recently in Sudan and Ukraine due to the ongoing conflicts there. In certain geographic areas where the Group operates, insurance coverage may not be obtainable on commercially reasonable terms, if at all. Coverage may be subject to limitations, or the Group may be unable to recover damages from its insurers. The Group foresees a heightened level of risk of disruption in its New Categories supply chain because it is multi-tiered and complex in sourcing and distribution.

Disruption may also be caused by the spread of infectious disease (such as the coronavirus ("COVID-19") pandemic) or by a deterioration/shortage in labour or union relations, disputes or work stoppages or other labour-related developments within the Group or its suppliers and distributors. The ongoing, organisational structure review and transition of key responsibilities to third party strategic partners also exposes BAT to new risk of disruption.

In addition, the Group's operating subsidiaries may not be able to establish or maintain relationships on favourable commercial terms with their suppliers and distributors, or at all. In some markets, distribution of the Group's products occurs through third-party monopoly channels, often licensed by governments. The Group may be unable to renew these third-party supplier and distribution agreements on satisfactory terms for many different reasons, including government regulations or sustainability considerations.

There are also some product categories for which the Group does not have surplus production capacity or where substitution between different production plants is impractical and this may cause further disruption to the Group's supply chain. Consolidation of global suppliers and certain distributors that control large geographies may reduce the Group's availability of alternatives and negatively impact the Group's negotiating power with key suppliers and distributors.

These risks are particularly relevant in jurisdictions where the Group's manufacturing facilities are more concentrated or for certain product categories where production is more centralised.

Any disruption to the Group's supply chain and distribution channels has from time to time had, and could have, an adverse effect on reputation, the results of operations and financial conditions of the Group through failures to meet shipment demand, contract disputes, increased costs, loss of market share and inability to reinvest into Smokeless products and support harm reduction agenda and cause the Group to fail to deliver on its strategic growth plans.

Failure to uphold the high standard of sustainability management, performance and reporting

Stakeholder expectations of, and regulatory requirements for, the Group's sustainability management, performance and reporting are continually evolving. The Group is exposed to risks arising from failure to have the appropriate internal standards, strategic plans and governance, compliance, monitoring and reporting mechanisms in place to ensure it can identify emerging issues, meet external expectations (including sustainability targets) and comply with applicable requirements.

Failure to uphold high standards of sustainability management and performance or to provide transparent and consistent reporting, in line with applicable requirements and broader stakeholders' expectations, could significantly impact the Group's reputation or compliance position, and reduce investor confidence. Poor performance across any aspect of sustainability, such as a failure to sufficiently address climate change-related risks, expectations and requirements, or human rights impacts across the Group's own operations and supply chain, could result in reputational damage, increased costs and regulatory sanction, litigation, difficulty in attracting and retaining talent, or decrease in consumer demand for the Group's products.

Current or future allegations of greenwashing and healthwashing, as a result of failure to responsibly and transparently market the Group's products and communicate the Group's sustainability achievements and position, could result in reputational damage, litigation and regulatory sanction. Please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities applicable to the Group.

Inability to obtain adequate supplies of tobacco leaf

The Group purchases significant volumes of packed leaf each year. Tobacco leaf, as any other agricultural commodity, can be impacted by a variety of external factors. Like any other agricultural supply chain, the tobacco leaf supply chain can be particularly vulnerable to a range of challenges, including climate change, weather-related events, such as drought, floods and other natural disasters, increasing demand for land

and natural resources, rural poverty, social inequality, child labour and ageing farmer populations. Tobacco production in certain countries is also subject to a variety of controls, including regulation affecting farming and production control programmes, and competition for land use from other agriculture commodities. Such controls and competition can further constrain the production of tobacco leaf, raising prices and reducing supply.

The Group recognises the above and any combination of those, as risks to the Group's tobacco leaf supply chain.

Restricted availability of tobacco leaf may prevent the Group from accessing sufficient tobacco leaf that meets its volume, quality and sustainability requirements. This could lead to an impact on the quality of the Group's products to a level that may be perceptible by consumers and may impact the Group's ability to deliver on consumer needs. The Group's sustainability commitments may restrict the sources the Group can buy from, which would result in an imbalance in supply and demand potentially causing incrementally higher tobacco prices. Higher tobacco leaf prices would result in increased raw material costs and have an adverse effect on the Group's financial condition. The Group may also experience reputational damage from not adequately managing its sustainability priorities like climate change, protection of natural resources, including forests, and human rights in the Group's leaf supply chain, which may restrict suppliers' willingness to do business with the Group.

Exposure to product contamination

The Group may experience product contamination, whether by accident or deliberate malicious intent, during supply chain or manufacturing processes, or may otherwise fail to comply with the Group's quality standards. The Group may also receive threats of malicious tampering.

Product contamination or threats of contamination may expose the Group to significant costs associated with recalling products from the market or temporarily ceasing production. In addition, adult tobacco consumers may lose confidence in the specific brand affected by the contamination, resulting in reputational damage and a loss of sales volume and market share. The Group could be subject to liability and costs associated with civil and criminal actions as well as regulatory sanctions brought in connection with a contamination of the Group's products. Each of these results may in turn have an adverse effect on the Group's results of operations, financial condition and reputation and cause the Group to fail to deliver on its strategic growth plans.

Failure to successfully design, implement and sustain an integrated operating model and future-fit organisation

The Group is undertaking transformation initiatives to remain competitive and relevant in a rapidly evolving global environment. These initiatives aim to simplify the organisation, use partners for outsourced services, enhance agility, and embed a future-fit operating model. The objective is to improve profitability and productivity through standardisation of processes, centralised services, and technology-enabled efficiencies, while supporting strategic priorities such as New Categories sustainable growth and Beyond Nicotine. Failure to effectively design, implement, and sustain these organisational and operational changes, due to complexity, resource constraints, governance gaps, or resistance to change, could undermine the Group's ability to deliver its long-term strategy.

Failure to deliver and embed these transformation initiatives could lead to increased costs, delayed benefit realisation, operational disruption and reduced organisational effectiveness. This may result in employee dissatisfaction, decreased trading performance, loss of institutional knowledge and reduced market share. Inability to develop governance process models in line with the Group's evolving business strategy may result in the failure to achieve sustainable multi-category long term growth including capturing additional productivity gains and achieving sustainability goals which may in turn have an adverse effect on the Group's results of operations and financial condition.

Inability to transition to a future-fit Enterprise Resource Planning ("ERP") platform

The Group's core transactional system, the Test Acceleration and Optimisation ("TaO") (central Systems, Applications and Products ("SAP") ERP System) global template, is transitioning to SAP S/4HANA, with the clear objective of completing this modernisation by the end of 2030. The transition is designed to deliver enhanced data analytics, streamlined operations, and a scalable platform that meets evolving business needs, with the majority of Group entities scheduled to migrate ahead of 2030.

Failure to successfully evolve and transition to S/4HANA in a timely manner could result in increased operational costs, technical debt, and challenges in maintaining compliance and supporting evolving business needs. Persistent delays may impact the Group's ability to fully leverage new capabilities, achieve real-time analytics, and deliver its strategic objectives, with potential consequences for financial performance and stakeholder confidence. This may in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to underperform on the delivery of its strategic growth plans.

Failure to manage the Group's climate change-related risk

The Group is exposed to direct and indirect adverse impacts associated with physical climate change-related risks, across its global operations and supply chain. Climate change may cause acute physical risks (such as more frequent and severe weather events), or chronic risks (such as those related to longer-term shifts in climate patterns and temperatures). These impacts could lead to reductions in the supply and quality of tobacco leaf and other physical goods and cause transport and logistics disruptions in the Group's supply chains.

The Group may also experience adverse impacts associated with transition climate change risks, associated with the move to a low carbon economy (such as emissions-related regulations and additional taxes applicable to its operations and its supply chain, changing markets and emerging technologies). As climate change policy, legislation and reporting requirements further evolve, companies need to effectively identify, assess, monitor and mitigate associated risks. Failure to do so could lead to BAT scoring lower in sustainability ratings and indices used by the financial sector in making investment decisions. Conversely, environmental policy changes in particular jurisdictions could result in a negative perception of the Group's management of climate risk.

As consumer and customer behaviours and expectations further evolve, the Group is exposed to the risk of failing to sufficiently adapt its product portfolio and marketing strategy in response to stakeholders' increasing sustainability expectations. Inadequate response to climate change considerations may result in reduced demand for or rejection of the Group's products, as well as reputational damage.

Disruption to the Group's agricultural and/or non-agricultural supply chain or product distribution channels have had, and could have, an adverse effect on its operations and financial condition through failures to meet product demand, contract disputes, increased costs, loss of market share and interruption to the business and supply chain. Extreme temperatures and severe weather events could be harmful for employees, creating health and safety risks, and affect the Group's factories' productivity.

In recent periods, the Group experienced impacts from severe weather events. In 2023, a tornado in the US caused the destruction of a stock of tobacco leaves in a warehouse with a final loss of £8 million. The 2024 flood in the United Arab Emirates caused an £11 million loss in machinery.

Consumer and customer expectations may influence their purchasing decisions and lead them to seek alternative product offerings. As consumer behaviours evolve, the Group may fail to sufficiently adapt its product portfolio and market strategy in response to increasing expectations on climate change considerations, potentially resulting in reduced demand for, or rejection of the Group's products.

Besides increased costs associated with climate change regulation and additional reporting obligations, non-compliance with climate change legislation (including reporting requirements) could reduce the

Group's ability to attract investors, result in reputational damage and potentially regulatory sanctions. Poor results in sustainability ratings and indices used by the financial sector may impact investors' decisions, and thereby increase the Group's cost of capital or negatively impact its share price.

Failure to meet current and future employees' expectations concerning the Group's actions to mitigate and adapt to climate change may negatively impact the retention and attraction of high-quality employees.

Failure to manage the Group's circularity risk

The Group is exposed to risks associated with the move towards an increasingly circular business model, driven by internal and external factors. These include product-related regulatory risks, such as product design/disassembly requirements, market access, loss of market share, sourcing risk and extended producer responsibility ("EPR") requirements.

As circular economy-related policy, legislation and reporting requirements further evolve, companies need to effectively identify, assess, monitor and mitigate associated risks. Failure to do so could lead to the Group scoring lower in sustainability ratings and indices used by the financial sector in making investment decisions.

As consumer and customer behaviours and expectations further evolve, the Group is exposed to the risk of failing to sufficiently adapt its product portfolio and marketing strategy in response to stakeholders' increasing sustainability expectations. Inadequate response to product circularity considerations may result in reduced demand for or rejection of the Group's products, as well as reputational damage.

Consumer and customer expectations may influence their purchasing decisions and lead them to seek alternative product offerings. An inability to develop and commercialise products, packaging or value chain sustainability innovations in line with demand or less well than competitors (including failures to adequately predict changes in consumer and societal behaviour and expectations and reflect them in the product portfolio) could lead to missed commercial opportunities, under- or over-supply, loss of competitive advantage, loss of market share, unrecoverable costs and the erosion of the Group's consumer base or brand equity. Product design decisions and the efficacy of Take-Back and consumer awareness schemes could have an impact on the Group's EPR risks and obligations.

Non-compliance with product circularity legislation (including reporting requirements) could reduce BAT's ability to attract investors, result in reputational damage, potentially regulatory sanctions and loss of market access. Poor results in sustainability ratings and indices used by the financial sector may impact their investment decisions, and thereby increase the Group's cost of capital or negatively impact its share price.

Failure to meet current and future employees' expectations concerning the Group's actions to address product circularity matters may negatively impact the retention and/or attraction of high-quality employees.

Impact of a pandemic or other global health crises on the performance of the Group

The Group continues to closely monitor the potential for disruption arising from pandemics, the most recent having been COVID-19, or other global health crises. Consequences may include significant logistical challenges for employees and their ability to perform their duties, potential loss of life or significant level of illness in the workforce, inability to deliver revenue stream and market share targets, impacting profits and cash flows, and disruption to the supply chain and third parties being unable to deliver contractual goods and services. In addition, some countries in which the Group operates have in the past adopted, and may adopt in the future, regulations restricting the ability to manufacture, distribute, market and sell products during such crises.

The influence of COVID-19 was at that time, and the influence of future variants, other pandemics or other global health crises on the Group's operations and financial condition is, difficult to predict given the wide range of determining factors, not least the nature of the pandemic/virus, its speed of infection, geographical scope and duration.

The impact of a pandemic or other global health crisis on global economic activity and the nature and severity of measures adopted by governments are numerous. The impact on the Group includes:

- Reductions or volatility in consumer demand for one or more of the Group's products due to illness, retail closures, quarantine or other travel restrictions, health consciousness (quitting use of tobacco and nicotine products), government restrictions, the deterioration of socio-economic conditions, economic hardship and customer-downtrading (switching to a cheaper brand), which may impact the Group's market share.
- Disruptions to the Group's operations, such as its supply chain, or manufacturing or distribution capabilities, which may result in increased costs due to the need for more complex supply chain arrangements, to expand existing facilities or to maintain inefficient facilities, a reduction of the Group's sales volumes or an increase in bad debts from customers.
- Disruption to the Group's operations resulting from a significant number of the Group's employees, including employees performing key functions, working remotely for extended periods of time or becoming ill, which may reduce the employees' efficiency and productivity and cause product development delays, hamper new product innovation and have other adverse effects on the Group's business. This also applies to activities that are performed by the employees of the Group's outsourced service providers.
- Significant volatility in financial markets (including exchange rate volatility) and measures adopted by governments and central banks that further restrict liquidity, which may limit the Group's access to funds, lead to shortages of cash and cash equivalents needed to operate the Group's business, and impact the Group's ability to refinance its existing debt.
- Regulations restricting the ability to manufacture, distribute, market and sell products, and potentially increasing illicit trade.
- Governments seeking to increase revenues through increased corporate taxes and excise in combustible and/or New Category products, increasing the cost and prices of the Group's products - which could reduce volumes and margins, and/or increase illicit trade.

While some negative effects caused by COVID-19 materialised in several end markets during the pandemic years, including reduced demand due to temporary smoking bans, lockdown restrictions, increased border checks and change in consumer behaviours, none of these had a material effect on the Group's overall profitability. However, all of the above factors may have material adverse effects on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans. The difficulty in predicting future pandemics exacerbates this risk.

Exposure to sustained and organised reputational activism and public campaigns

As a global tobacco and nicotine company, the Group is exposed to the risk of coordinated activism and public campaigns, both online and offline, by non-governmental organisations ("NGOs"), advocacy groups, consumers, shareholders, and other groups. These campaigns may target the Group's operations, product portfolio (including New Categories), supply chain, or sustainability positioning, and can take the form of social media activism, protests, adverse media coverage, or shareholder resolutions.

Reputational activism has the potential to influence investor confidence and share price, trigger regulatory scrutiny or legal challenges, disrupt operations or product distribution, and harm the Group's employer brand and ability to attract talent. These outcomes could have an adverse effect on the Group's results of operations and financial condition and cause the Group to underperform on the delivery of its strategic growth plans. The evolving nature and intensity of activism, driven by shifting societal expectations and increased sustainability scrutiny, could damage the Group's reputation, limit stakeholder trust, and disrupt business operations.

B. Legal, regulatory and compliance risks

Exposure to, the enactment of, proposals for, or rumours of regulation that significantly impairs the Group's ability to communicate, differentiate, market or launch its products and/or the lack of appropriate regulation for New Categories

The tobacco and nicotine industry is one of the most highly regulated in the world, with manufacturers required to comply with a variety of different regulatory regimes across the globe. Most of these regulations, whether already in place or proposed, can be categorised as follows:

- Category bans: Prohibitions on the sale, import, possession, or use of specific products;
- Product Regulations: On use of ingredients, product design and attributes (e.g. nicotine limits or flavours), as well as product safety standards and product disclosure requirements;
- Packaging and labelling: Requirements for health warnings and other government-mandated messages to be printed on packaging, as well as requirements around pack shape, size, colour and weight or plain packaging requirements;
- Advertising and sponsorship: Partial or total bans on advertising, promotions and sponsorships for products, as well as brand stretching (the association between a tobacco and a non-tobacco product by using the same tobacco branding on the non-tobacco product);
- Retail: Restrictions on the number of retailers and/or where tobacco and non-tobacco nicotine products can be sold, such as the types of outlets (e.g. supermarkets, online, etc.) and restrictions on how they can be sold (e.g. above-the-counter versus below);
- Place: Bans on smoking or vaping in certain places;
- Price: Regulations which affect prices of tobacco and non-tobacco nicotine products, such as excise taxes and minimum pricing; and
- Responsibility: Obligations under EPR schemes (e.g. cigarette waste clean-up) and measures to combat illicit trade.

The Group recognises and supports the objectives of governments and policymakers in reducing smoking rates and the associated health impacts, as well as the role of regulation in achieving these goals. Accordingly, the Group endorses tobacco and nicotine regulations that are grounded in robust evidence, tailored to local circumstances, effectively achieve intended policy objectives, and avoid unintended consequences, such as the expansion of illegal markets. However, there is a risk that in some areas, the evolving regulatory environment may not follow these principles due to several key factors:

- Irresponsible behaviour or marketing practices by competitors, particularly in markets where appropriate regulation is lacking, or actions that violate existing regulations, may cause reputational harm to the industry and result in disproportionate regulation or bans.
- Pressure on governments from international organisations, agencies, tobacco control NGOs, influential national regulators, and the private sector including philanthropists, pharmaceutical companies, security technology firms, and social justice groups may drive the pursuit of regulatory policies intended to harm the tobacco and nicotine industry.
- Regulators may also have a limited understanding of New Category products and their potential role in tobacco harm reduction. Concerns about underage access and the environmental impact of these products can further increase the risk of inappropriate regulation.

From a compliance perspective, the Group may fail to implement appropriate control measures or maintain adequate standards of compliance with regulatory requirements or Group-internal policies. For example,

in 2024, the Group identified two incidents of non-compliance with local marketing regulations resulting in a fine or penalty.

Insufficient information, instruction, and training in relevant areas, combined with limited awareness or understanding of applicable regulations, including those relating not only to tobacco and nicotine but also to environmental or other technical standards, may heighten these risks. In addition, failure to monitor, assess, and implement new or updated regulatory requirements could further exacerbate compliance challenges.

Beyond legal requirements, the Group also maintains several global policies that may impose higher obligations or standards than those mandated by local regulatory regimes, such as commitments under the Group's Responsible Marketing Framework.

Combustible Products

With respect to combustible tobacco products, many of the measures outlined in the World Health Organization's ("WHO") Framework Convention on Tobacco Control ("FCTC") have been or are in the process of being implemented through national legislation across numerous markets in which the Group operates. This includes the adoption of certain non-legally binding recommendations, such as plain packaging requirements and restrictions or bans on characterising flavours.

The Eleventh Session of the Conference of the Parties to the WHO Framework Convention on Tobacco Control ("COP11") took place in November 2025. Parties adopted a decision inviting consideration of forward-looking measures beyond the current FCTC; however references to an endgame strategy and a ban on filters were removed from the final text. Parties were also encouraged to strengthen environment-related measures covering tobacco and nicotine product components, implement "effective tobacco tax policies" and consider voluntary increases in international financial support for FCTC implementation.

Parties were unable to reach consensus on several key areas, including Articles 9 and 10 (regulation of product contents and disclosure), harm-reduction policy, and a Brazil-led proposal to extend the FCTC's scope to pouches and vapour products. These negotiations have been deferred until the twelfth session of the WHO Conference of the Parties to the Framework Convention on Tobacco Control ("COP12").

Ahead of COP12, which is scheduled to take place in Armenia in 2027, the Secretariat has been tasked with developing a self-assessment tool for parties, preparing a report on liability-related policy options, and assessing the funding gap for FCTC implementation. Several parties emphasised regulatory sovereignty and the importance of continued dialogue on harm-reduction approaches and the role of new products.

In the US, the US Food and Drug Administration ("FDA") announced its intention to ban menthol as a characterising flavour in cigarettes. The Biden Administration's Fall 2023 Unified Agenda anticipated issuance in March 2024 of a final rule to ban menthol as a characterising flavour in cigarettes; however, in April 2024 the Biden Administration indicated that a final rule would take significantly more time. The current Trump Administration has withdrawn the rule from the Office of Management and Budget and it is currently held pending the new administration's reconsideration of regulations advanced by the Biden Administration. On 15 January 2025, in the final days of the outgoing Biden Administration, the FDA issued a proposed product standard whereby the agency would limit nicotine level in cigarettes following a two-year effective date from publication of any final rule. Although the Spring 2025 Unified Agenda from 4 September 2025 no longer lists the proposed rule on the Long-Term Actions list and instead designates it as 'withdrawn', there can be no assurance that this or a future Administration will not re-introduce a rule to ban menthol as a characterising flavour in cigarettes.

Traditional leaders in tobacco control, such as the UK, continue to advance stringent regulatory measures. The UK's Tobacco and Vapes Bill – where the legislative process is still ongoing – includes provisions for a generational sales ban ("GSB"), which would prohibit the sale of tobacco products to individuals born after a specified year. This concept was first introduced in New Zealand but was subsequently repealed

before it took effect. The Maldives has enacted similar legislation, while the Turkish, Australian, Irish and Norwegian governments are among those reported to be evaluating comparable measures to various degrees.

Preparations for a revised EU Tobacco Products Directive ("TPD") are also progressing. Should the process for a third iteration ("TPD3") be initiated, it is anticipated that discussions may encompass additional measures such as the introduction of plain packaging requirements for combustible tobacco products, among others.

Smokeless Products (including New Categories)

Transformative regulations, including forward-thinking policies for Smokeless products, are essential to 'Build a Smokeless World' and deliver governments' smoke-free ambitions.

The Group believes that the development of regulations for Smokeless products should follow the below principles:

- Be based on science and evidence and proportionate to the product's risks compared with those of combustible tobacco;
- Facilitate adult awareness of smokeless alternatives and allowing adult-only access;
- Ensure product quality, environmental sustainability, and consumer relevance; and
- Enable effective enforcement.

From a global perspective, regulation continues to evolve, and public policy approaches vary significantly across jurisdictions. While some regulators have adopted measures consistent with the principles previously described, others are considering applying the same regulatory frameworks used for combustible tobacco products to Smokeless alternatives. A number of countries, including the Netherlands, Belgium, France and Germany, have implemented or have passed regulations to ban Modern Oral products, either through provisions banning their sale outright or via classification as foodstuffs, meaning their sale is de facto prohibited. In some European countries, such as Spain and Luxembourg, authorities have sought to restrict the sale of nicotine pouches by setting maximum nicotine limits at levels so low that the products become unsatisfying for consumers. It is considered likely that tobacco-free nicotine pouches will be regulated at a European level as part of the next revision of the Tobacco Products Directive. It is also possible that Herbal Products for Heating could be addressed in the TPD.

The primary drivers behind many recent regulatory initiatives targeting New Category products remain scepticism about the reduced-risk[*†] potential of smokeless products, the prevention of underage appeal and nicotine addiction and the mitigation of environmental impacts. These concerns are frequently cited as reasons for legislative proposals to restrict or prohibit flavours in vapour products and, more recently, to ban disposable devices.

Regarding the US, and considering the risks associated with the FDA process, on 12 October 2021, the FDA issued its first Marketing Granted Orders ("MGOs") for tobacco-flavoured Vuse Solo and Vuse Solo power units. On the same date, RAI and its subsidiary companies (together, "Reynolds American Companies") received Marketing Denial Orders ("MDOs") for the flavoured (non-menthol and non-tobacco) Vuse Solo products. R.J. Reynolds Vapour Company ("RJR Vapor") has since secured a court-ordered stay of these MDOs, which remains in place. While a series of MGOs for tobacco-flavoured products have been granted, including recent MGOs for Vuse Alto 'Golden' and 'Rich' tobacco-flavoured vapour products,

[*] Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

[†] Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

MDOs have also been issued (and may be issued in the future) for non-tobacco flavoured products, including menthol flavoured Vuse Alto. This reflects the risks associated with products that contain flavours outside of tobacco, which are currently subject to court challenges. As it pertains to menthol, on 20 August 2025, the Fifth Circuit granted a joint motion to hold the case in abeyance for nine months to allow the FDA to review a new Vuse Alto menthol PMTA, which means the stay of the MDO remaining in place for at least nine months. However, there can be no assurance that the Group will ultimately be successful and receive an MGO.

In the specific case of Modern Oral products, the FDA announced the launch of a pilot programme to increase efficiency and streamline the PMTA review process for Modern Oral products, which includes a specific subset of pending product applications from Reynolds American Companies and other manufacturers. The FDA states the pilot will feature real-time communication between the FDA and applicants with the goal of providing more frequent feedback and shorter review timeframes. However, there can be no assurance that the Group's PMTA applications will be granted.

Finally, beyond the differing market approaches to the regulation of New Category products, the lack of harmonisation across jurisdictions presents an additional challenge for the sector. Greater alignment in regulatory standards and the establishment of a consistent framework across markets would be beneficial from a business perspective, supporting a more predictable, transparent, and efficient operating environment.

Beyond Nicotine

As the Group also looks to Beyond Nicotine products including cannabidiol (CBD) and cannabis (in connection with its investments in Organigram Inc., Sanity Group GmbH and Charlotte's Web Holdings, Inc.) (from which, as at the date of this Base Prospectus and in compliance with the UK Proceeds of Crime Act 2022 ("POCA"), no distributions have been made to BAT or the Group), it may be subject to additional regulation and these products might not be scalable on a global basis given the varying degree of regulation.

Extreme regulatory measures, impacting one or more Smokeless and/or combustible tobacco and/or Beyond Nicotine products, could adversely affect volume, revenue and profits, as a result of: restrictions on the Group's ability to sell and differentiate its products or brands, leverage price, innovate, make scientific claims, and make new market entries. In addition, new regulations and lack of standards harmonisation among markets, could lead to greater complexity, as well as higher production and compliance costs.

As an example, through the acquisition of RAI, the Group acquired the Newport brand, the leading menthol cigarette brand in the US, the Group's largest single market. The sales of Newport, together with the other menthol brands of the Group's operating subsidiaries, represent a significant portion of the Group's total net sales. Any action by the FDA or any other governmental authority, including states and localities, banning or materially restricting the use of menthol in tobacco products (such as the previously proposed FDA ban on menthol cigarettes) could have a significant negative impact on sales volumes which would, in turn, have an adverse effect on the results of operations and financial position of the Group.

Disproportionate regulation of smokeless products could significantly hinder the Group's ability to deliver on its mission of 'Building a Smokeless World' as part of its transformative journey. Full category bans or regulations that jeopardise consumer acceptance would have a significant impact on the Group's strategy for smokeless products. These measures could both feed the illegal market (such as in the case of the increase in illicit single-use vapour devices in the US market) and undermine the Group's ability to compete and develop products profitably while encouraging consumers to switch to alternative products. As the Group always seeks to comply with regulations, such disproportionate regulation that lacks robust enforcement measures reduces the Group's ability to compete on equal terms with less responsible industry actors, who disregard or deliberately do not comply with local law and regulations. For example,

California's 2022 flavour ban on all tobacco and nicotine products disrupted the market along with discouraging adult combustible consumers from switching to reduced-risk[*†] New Categories.

There is a risk that environmental and sustainability regulations, such as EPR schemes for cigarette manufacturers, will continue to impact New Category products, especially if the EU EPR schemes for New Category products are picked up by more countries outside of the EU. As a reflection of the real or perceived impact of stricter regulation on the Group's business, the Group's share price has also experienced, and could in the future experience, shocks upon the announcement, expectation or enactment of restrictive regulation. All these effects may have an adverse effect on the Group's results of operations and financial conditions or share price and cause the Group to fail to deliver on its strategic growth plans.

Disproportionate regulation of the Group's combustible products not only impacts the Group's ability to execute its strategy for these products, but also influences investor sentiment in the sector and the residual value of BAT. Emerging issues such as filter bans, mandatory limits on nicotine products, and GSB can significantly affect both the Group's current business operations and future expectations.

Finally, and, considering the significant number of regulations that may apply to the Group's businesses across the world, the Group is and may in the future be subject to claims for breach of such regulations. Government authorities (such as the FDA), organisations or even individuals may allege that the Group's marketing activities do not comply with the relevant laws and regulations. As such, the Group could be subject to liability and costs associated with civil and criminal actions as well as regulatory sanctions, fines and penalties brought in connection with these allegations. Even when proven untrue, there are often financial costs and reputational impacts in defending against such claims and allegations, including potential adverse impact on the treatment by the FDA of the Group's PMTAs in the US. Each of these results may in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Adverse implications of EU legislation on single-use plastics that will result in on-pack environmental warnings and financial implications relating to the EPR

The EU adopted a Directive on single-use plastics in July 2019 (the "SUP Directive") which, among other products, targets tobacco products with filters containing plastic. The Cellulose Acetate in the Group's filters is defined as a single-use plastic under the Directive and, as such, the Directive will have an impact on the Group's cigarettes, filters for other tobacco products and consumables for THPs and heated herbal products ("HHPs") (the latter, although not a tobacco product, has the same filter as THP, thus the Group's decision is to include it in the EPR scope).

Under the SUP Directive, the Group will be subject to (and in some cases already is subject to) EPR schemes, requiring the Group to cover the costs of collecting, transporting, treating and cleaning-up of filters containing plastic, data gathering and reporting. The SUP Directive also imposes on tobacco manufacturers the obligation to finance consumer awareness campaigns and to place environmental markings on packs of products with filters containing plastic.

Member States had to transpose the SUP Directive into national law by 3 July 2021, with an implementation deadline of 5 January 2023 for EPR schemes. In practice, some Member States are still late on transposition and implementation, with the practical consequence that EPR schemes will go live with several months delays in some Member States. The European Commission was also late in its issuance of guidelines on the criteria for the costs of cleaning up litter, which should have been issued prior to the anticipated implementation deadline for EPR schemes and in fact were only published in October 2025.

[*] Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

[†] Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

This introduced further difficulties and uncertainty in the design and setting-up of EPR schemes. When transposing the SUP Directive into national law, Member States could decide to expand the scope of EPR systems under their respective national laws, which may expose the Group to additional regulations and financial obligations. This is the case in France, where EPR implementation has already occurred with an expansion of the scope to include non-plastic filters for Roll Your Own products. Proposed regulations are still being discussed in some countries, i.e. in Belgium, the Netherlands, and Romania. Although the current SUP Directive has not yet been fully transposed, it is undergoing an evaluation and public consultation which was launched in the fourth quarter of 2025. This process could ultimately lead to a revision of the Directive, adding another layer of uncertainty and potential financial implications. The European Commission has announced that it will consider options for binding measures to reduce filters and seems to be seeking coherence between the SUP Directive and FCTC.

It is noted that there is a growing level of scrutiny on the use of single-use plastic across the world and a number of other markets in which the Group operates are considering ways to restrict (or ban) the use of filters made of plastic and/or introduce EPR schemes covering other plastic elements in the Group's products beyond filters for traditional products and/or New Categories products.

The financial implications of existing and future EPR schemes will increase administrative burdens and operating costs and may have an adverse effect on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans. Failure to deliver appropriate EPR schemes may lead to imposition of the schemes by the local authorities at a higher cost to the Group, adversely impacting the Group's results of operations, financial condition and reputation.

Exposure to litigation, regulatory action or criminal investigations on tobacco, nicotine, New Categories and other issues

The Group is involved in litigation related to its tobacco and nicotine products, including legal, regulatory and patent actions, proceedings and claims, brought against it in a number of jurisdictions. Claims brought against the Group may be based on personal injury (both individual claims and class actions), economic loss arising from the treatment of smoking and health-related diseases (such as medical recoupment claims brought by local governments), patent infringement (please refer to the risk factor titled "*Exposure to risks associated with intellectual property rights, including the failure to identify, protect and prevent infringement of the Group's intellectual property rights and potential infringement of, or the failure to retain licences to use, third-party intellectual property rights*" below), negligence, strict tort liability, design defect, failure to warn, fraud, misrepresentation, deceptive/unfair trade practices, conspiracy, medical monitoring, securities law violations and violations of antitrust/racketeering laws. Sustainability-related litigation and regulatory action may also be brought against the Group.

Certain actions, such as those in the US or the recently resolved proceedings in Canada, involve claims in the tens or hundreds of billions in Sterling. The Group is also involved in proceedings that are not directly related to its tobacco and nicotine products, including proceedings based on environmental pollution claims.

Additional legal and regulatory actions and investigations, proceedings and claims may be brought against the Group in the future. The Group investigates, and becomes aware of governmental authorities' investigations into, allegations of misconduct, including alleged breaches of sanctions and allegations of corruption at Group companies. Some of these allegations are currently being investigated. The Group cooperates with the authorities, where appropriate. There are instances where the Group investigates or where Group companies are cooperating with relevant national competition authorities in relation to competition law investigations and/or where the Group engages in legal proceedings at the appellate level. In addition, the Group is, and may in the future be, subject to investigations or legal proceedings in relation to, among other things, its marketing, promotion or distribution activities in respect of its products. As such, the Group or Group companies could be subject to liability and costs associated with any damages, fines, or penalties brought in connection with these investigations or legal proceedings.

The Group's consolidated results of operations and financial position could be materially affected by any unfavourable outcome of certain pending or future litigation. In addition, an injunction arising from certain litigation outcomes may restrict the Group's ability to sell specific products and fail to deliver on its strategic growth plans. The Group could be exposed to substantial liability, which may take the form of ongoing payments, such as is the case with the State Settlement Agreements (as defined below) in the US and the Approved Plans in Canada (as described below) that require substantial ongoing payments by Group subsidiary, R.J. Reynolds Tobacco Company ("RJRT"). Whether successful or not, the costs of the Group's involvement in litigation could materially increase due to costs associated with bringing proceedings and defending claims, which may also cause operational and strategic disruption by diverting management time away from business matters. Liabilities and costs in connection with litigation could result in bankruptcy of one or more Group entities. For example, following a judgment in Canada, certain of the Group's Canadian subsidiaries filed for protection under the Companies' Creditors Arrangement Act ("CCAA"). Although the Group's relevant Canadian subsidiaries emerged from CCAA, subject to the Approved Plans, there can be no assurance that in the case of future judgments or settlements of litigation the Group or Group entities will be able to emerge from such proceedings outside of bankruptcy. Moreover, the Approved Plans require the Group's relevant Canadian subsidiaries to make substantial ongoing payments to the former plaintiffs. Any negative publicity resulting from these claims may also adversely affect the Group's reputation or share price.

Please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities applicable to the Group.

Significant and/or unexpected increases or structural changes in tobacco and nicotine-related taxes

Tobacco and nicotine products are subject to high levels of taxation, including excise taxes, sales taxes, import duties and levies in most markets in which the Group operates. In many of these markets, taxes are generally increasing, but the rate of increase varies between markets and between different types of tobacco and nicotine products. Increases in, or the introduction of new, tobacco and nicotine-related taxes may be caused by a number of factors, including fiscal pressures, health policy objectives and increased lobbying pressure from anti-tobacco advocates.

With respect to New Categories, although a common framework for regulation and taxation has yet to emerge, the manufacture, sale, packaging and advertising of such products are increasingly being regulated and taxed.

The EU Tobacco Excise Directive is in the process of being revised. However, there is no set timetable. The EU Commission shared its proposal in July 2025. It will not, however, be agreed by the Member States and enter into force until 2028 or later.

In certain markets, specific tax measures have had a substantial impact on industry dynamics, for example, the significant excise increase and change to the minimum retail price framework implemented in Bangladesh in January 2025.

Significant or unexpected increases in, or the introduction of new, tobacco-related taxes or minimum retail selling prices, changes in relative tax rates for different tobacco and nicotine products or adjustments to excise have in the past resulted, and may in the future result, in the need for the Group to absorb such tax increases due to limits in its ability to increase prices, an alteration in the sales mix in favour of value-for-money brands or products, or growth in illicit trade, each of which could impact pricing, sales volume and profit for the Group's products. Significant or unexpected increases of tobacco-related taxes could also impact the Group's ability to invest in, develop, commercialise and deliver New Category products, and to deliver the corporate purpose of harm reduction.

Failure to comply with health and safety and environmental laws

The Group is subject to a variety of laws, regulations and operational standards relating to health and safety and the environment.

The Group may fail to assess certain risks and implement the right level of control measures or to maintain adequate standards of health and safety or environmental compliance, which could cause injury, ill health, disability or loss of life to employees, contractors or members of the public, or harm to the natural environment and local communities in which the Group operates. As a result of the outcomes of the COP26, further future regulation is anticipated as governments look to meet their climate change ambitions.

Insufficient information, instruction and training in the relevant areas and a lack of knowledge of the existence and/or requirements of relevant regulations, or a failure to monitor, assess and implement the requirements of new or modified legislation, may increase these risks.

Any failure by the Group to comply with applicable health and safety or environmental laws, or the exposure to the consequences of a perceived failure, could result in business disruption, reputational damage, difficulties in recruiting and retaining staff, increased insurance costs, consequential losses, the obligation to install or upgrade costly pollution control equipment, loss of value of the Group's assets, remedial costs and damages, fines and penalties as well as civil or criminal liability. Each of these circumstances could in turn adversely impact the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Exposure to unfavourable tax rulings

The Group is subject to tax laws in a variety of jurisdictions. The Group's interpretation and application of the tax laws could differ from those of the relevant tax authority, which may subject the Group to claims for breach of such laws, including for late or incorrect filings or for misinterpretation of rules. Tax authorities in a variety of jurisdictions, such as the Netherlands and Brazil, have assessed, and may in the future assess, the Group for historical tax claims, including interest and penalties, arising from disputed areas of tax law. The Group is currently party to tax disputes in a number of jurisdictions, some of which involve claims for amounts in the hundreds of millions in Sterling.

Please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities applicable to the Group.

The Group's failure to comply with the relevant tax authority's interpretation and application of the tax laws could result in significant financial and legal penalties, including the payment of additional taxes, fines and interest in the event of an unfavourable ruling by a tax authority in a disputed area, as well as the payment of dispute costs, or in connection with settlements of such disputes. Disruption to the business could occur as a result of management's time being diverted away from business matters. In certain cases, unfavourable outcomes may also lead to regulatory actions, such as license withdrawals, which could disrupt production or distribution activities. Each of these results could negatively affect the Group's reputation, results of operations and financial condition, and cause the Group to fail to deliver on its strategic growth plans.

Exposure to potential liability under competition or antitrust laws

According to the Group's internal estimates, the Group is a leader by volume and/or value in certain categories in a number of countries in which it operates and/or is one of a small number of tobacco and/or New Categories companies in certain other categories in which it operates. The Group has had antitrust infringement decisions imposed against it in the past and is subject to ongoing investigations (please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities applicable to the Group). The Group may be subject to investigation, inquiry and/or litigation for alleged abuse of its position in categories in which it has significant presence, alleged collusion/anti-

competitive arrangements with other market participants, and/or for other alleged competition law infringements and/or market features. Competition/antitrust laws continue to evolve globally with increasingly strict enforcement.

Investigations (and/or litigation) for alleged violation of competition or antitrust laws, and any adverse decision as a result of such investigations and/or litigation, may result in significant legal liability, fines, penalties, repayment orders and/or damages actions; criminal sanctions against the Group, its officers and employees; increased costs, prohibitions on conduct of the Group's business; forced changes in business practices, forced divestment of brands and businesses (or parts of businesses) to competitors or other buyers; director disqualifications; commercial agreements being held void; and operational and strategic disruption (including by diverting management time away from business matters). The Group may face increased public scrutiny and the investigation or imposition of sanctions by antitrust regulation agencies and/or courts for violations of competition regimes which may subject the Group to reputational damage and loss of goodwill, including negative perceptions of the Group's governance and its sustainability credentials.

The occurrence of any of the above effects could in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Failure to establish and maintain adequate controls and procedures to comply with applicable securities, corporate governance and compliance regulations

The Group's operations are subject to a range of rules and regulations around the world. These include US securities, corporate governance and compliance laws and regulations, such as the Sarbanes-Oxley Act of 2002 and the US Foreign Corrupt Practices Act of 1977, and expanding sustainability reporting and disclosure requirements which apply to the Group's worldwide activities. While the Group continuously seeks to improve its systems of internal controls and to remedy any weaknesses identified, there can be no assurance that the policies and procedures will be followed at all times or effectively detect and prevent violations of applicable laws. In addition, the Group is subject to increasingly stringent reporting obligations under UK corporate reporting regulations.

The increased scope and complexity of applicable regulations to which the Group is subject may lead to higher costs for compliance. Failure to comply with laws and regulations may result in significant legal liability, fines, penalties, class action suits and/or damages actions, criminal sanctions against the Group, its officers and employees, and damage to the Group's reputation. Non-compliance with such regulations could also lead to a loss of the Group's listing on one or more stock exchanges or a loss of investor confidence with a subsequent reduction in share price.

Lack of external recognition and acceptance of the foundational science and inability to effectively communicate to stakeholders about the potential health impact of the Group's Smokeless products

Scientific evidence to support the harm reduction potential of Smokeless products is essential for demonstrating and communicating the risk reduction[*†] potential of these products for adult smokers. BAT conducts rigorous science to demonstrate the potential risk reduction when smokers switch completely to Smokeless products, and in the longer-term, epidemiological data will be required to demonstrate the health impact at population levels. Consumer expectations and the rapid pace of innovation necessitate the evolution of the product portfolio, which requires the Group to regularly re-assess and update the associated scientific evidence base.

Long-term epidemiological data requires decades to acquire. Therefore, the scientific data available today is by necessity shorter-term data that provides a strong indication of the reduced-risk[*†] potential of

[*] Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

Smokeless products relative to cigarettes. In terms of the wider tobacco harm reduction strategy, there is a risk that the long-term health impact of Smokeless products is not fully understood at this time. There is also a risk of failure to communicate the scientific findings in a timely or effective manner. Furthermore, there are challenges on the choice of standards, controls and/or experimental design and methodology used for demonstrating the robustness of scientific research, together with regulation limiting risk communication to consumers.

Inability to produce robust and externally-recognised scientific evidence to fully demonstrate and communicate the tobacco harm reduction abilities of Smokeless products in a timely manner may lead to greater regulatory restrictions or outright bans, market share reduction, fines and penalties, reputational damage, and inability to sustain the Group's quality growth and sustainability strategy. These potential impacts could cause the Group to fail to deliver on its strategic growth plans and objectives.

Insufficient product stewardship and failure to comply with product regulations

The Group is subject to risks of safety incidents in pre-market testing or in market due to, for example, a lack of due caution and appropriate response paid to pre-market product data, or toxicology information, inaccurate and unreliable information from suppliers and/or compromise of data or other information through cybersecurity attacks.

The interpretation and application of regulations concerning the Group's products, such as the Tobacco and Related Products Directive ("TPD2"), may be subject to debate and uncertainty. This includes uncertainty over product classifications and restrictions on advertising. In particular, with respect to the developing category of New Categories, which has grown in size and complexity in a relatively short period of time, a consensus framework for the interpretation and application of existing regulation has yet to emerge.

The continuously changing and evolving landscape of regulation concerning the Group's products contributes to the uncertainty surrounding interpretation and application and creates a risk that the Group may misinterpret or fail to comply with developing regulations in the various jurisdictions in which it operates, or becomes subject to enforcement actions from regulators. With the continuous changing of product cycle plans and expansion to new markets and innovations, there is a risk that such changes and launches fail to comply with the relevant regulations, including pre-approval and/or pre-registration requirements. For example, some governments have intentionally banned or are seeking to ban novel tobacco products and products containing nicotine, while others would need to amend their existing legislation to permit their sale. Even in countries where the sale of such products is currently permitted, some governments have adopted, or are seeking to adopt, bans on New Categories or restrictions on certain flavours.

The significant number of emerging regulations and the uncertainty surrounding their interpretation and application may subject the Group to claims for breach of such regulations. Financial costs of such enforcement actions include financial penalties, product recalls and litigation costs, and entail a significant risk of adverse publicity and damage to the Group's reputation and goodwill. In cases of consumer injury or fatality due to a consumer product safety issue, this could also cause significant Group reputational damage, leading to a negative impact on stakeholder confidence, including consumers, retailers, investors, and regulatory and public health organisations.

Failure to uphold high standards of corporate behaviour, including through unintended or malicious breach of anti-bribery and anti-corruption and other anti-financial crime laws

The Group is subject to various anti-corruption laws and regulations and other anti-financial crime laws including but not limited to those relating to tax evasion, money laundering, terrorist financing, corporate

† Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

fraud and/or the facilitation of corporate fraud and bribery ("Anti-Corruption Laws", including the POCA). All employees of BAT, its subsidiaries and joint ventures which it controls are expected to uphold a high standard of corporate behaviour and comply with the Group's SoBC which includes a requirement to comply with Anti-Corruption Laws and other relevant Laws combating financial crime. Employees, associates, suppliers, distributors and agents are prohibited from engaging in improper conduct to obtain or retain business or to improperly influence (directly or indirectly) a person working in an official capacity to decide in the Group's favour. The Group's employees, contractors and service providers may fail to comply with the Group's SoBC and/or may violate applicable Anti-Corruption Laws and other relevant laws combating financial crime.

The Group investigates, and becomes aware of governmental authorities' investigations into, allegations of misconduct, including allegations of corruption at Group companies. Some of these allegations are currently being investigated. The Group cooperates with the authorities, where appropriate.

Please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities applicable to the Group.

Failure of the Group to comply with Anti-Corruption Laws and other relevant laws combating financial crime, or to deploy and maintain robust internal policies, procedures and controls may result, and have resulted, in significant fines and penalties (reducing the Group's ability to reinvest in the future), a share price impact, criminal and/or civil sanctions against the Group and its officers and employees, increased costs, prohibitions or other limitations or requirements (e.g. compliance requirements) on the conduct of the Group's business and reputational harm (including negative perceptions of the Group's governance and its sustainability credentials), and may subject the Group to claims for breach of such regulations.

The occurrence of any of the above effects could in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Even when proven untrue, there are often financial costs, time demands and reputational impacts associated with investigating and defending against such claims.

Unexpected legislative changes to corporate income tax laws

The Group is subject to corporate income tax laws in the jurisdictions in which it operates. These laws frequently change on a prospective or retroactive basis.

Legislative changes to corporate income tax laws and regulations may have an adverse impact on the Group's corporate income tax liabilities and may lead to a material increase of the Group's overall tax rate – these include changes in international tax laws following the Organisation for Economic Co-operation and Development project on base erosion and profit shifting. This could, in turn, negatively affect the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Imposition of sanctions under sanctions regimes or similar international, regional or national measures

National, international and supra-national sanctions regimes or similar international, regional or national measures are complex and dynamic and may affect territories in which the Group operates or third parties with which it may have commercial relationships. There may be unintended or malicious breaches of sanctions due to inappropriate or negligent behaviour by BAT employees, contractors, customers, suppliers or service providers.

Operations in countries and territories subject to sanctions expose the Group to the risk of significant financial costs and disruption in operations that may be difficult or impossible to predict or avoid or the activities could become commercially and/or operationally unviable. In particular, the Group has operations

in Cuba, which is subject to various sanctions in the United States. Sanctions can be imposed quickly with the possibility of further territories the Group operates in becoming subject to sanctions at short notice.

The Group investigates, and becomes aware of governmental authorities' investigations into, allegations of misconduct, including alleged breaches of sanctions at Group companies. Some of these allegations are currently being investigated. The Group cooperates with the authorities, where appropriate.

In 2023, the Group reached settlement agreements with the US Department of Justice ("DOJ") and the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") in the United States related to breaches of sanctions related to North Korea, which resulted in the imposition of fines against the Group totalling US$635 million plus interest.

National, international and supra-national sanctions regimes may also affect third parties with which the Group has commercial relationships, e.g. through their banks (including possible risk aversion to being associated with a sanctioned territory) and could lead to supply and payment chain disruptions.

Please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities applicable to the Group.

As a result of the limitations imposed by sanctions, it may become commercially and/or operationally unviable for the Group and/or its critical business partners to operate in certain territories or execute transactions related to them and the Group may be required to exit existing operations in such territories. The Group may also experience difficulty in sourcing materials or importing products, repatriating currency from a sanctioned country and finding financial institutions willing to transact with it, any of which may expose the Group to increased costs. In addition, the costs of complying with sanctions may increase as a result of new, or changes to existing, sanctions regimes.

In addition to the settlement agreements reached by the Group with the DOJ and OFAC in the United States, as detailed above, any other failure of the Group to comply with sanctions regimes or similar international, regional, national or supra-national measures, or to deploy and maintain robust internal policies, procedures and controls, could result in additional fines and penalties (reducing the Group's ability to reinvest in the future), a share price impact, criminal and/or civil sanctions against the Group and its officers and employees, increased costs, prohibitions or other limitations or requirements (e.g. compliance requirements) on the conduct of the Group's business, reputational harm (including negative perceptions of the Group's governance or the Group's sustainability credentials), and damage to commercial or banking relationships, and may subject the Group to claims for breach of such regimes or measures. Reputational harm (including negative perceptions of the Group's governance and its sustainability credentials) may result from the Group's operations in a sanctioned country regardless of whether the Group complies with imposed sanctions.

The occurrence of any of the above effects could in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans. Even when proven untrue, there are often financial costs, time demands and reputational impacts associated with investigating and defending against such claims.

Failure to uphold New Categories marketing practices

The regulatory landscape is constantly evolving with marketing practices being regulated differently in key New Categories markets. The Group's marketing activities may be found to be, or alleged (including in the media) to be, non-compliant with laws and regulations, or with the Group's Responsible Marketing Framework ("RMF") on the marketing and sale of tobacco and nicotine products to consumers e.g. in relation to age verification measures. Online activities can also be found to be, or alleged to be, aimed at consumers in a country where such activities are not permitted.

The Group is and may in the future be subject to claims for breach of marketing practices. In particular, national authorities (such as the FDA), organisations or even individuals may allege that the Group's

marketing activities do not comply with the relevant laws and regulations, or with the Group's RMF. As such, the Group could be subject to litigation, regulatory sanctions, fines and penalties brought in connection with these allegations. Even when proven untrue, there are often financial costs and reputational impacts in defending against such claims and allegations which may ultimately also lead to stricter regulations impacting the Group's business.

Future breaches may lead to a loss of investor confidence in sustainability performance and inability to meet the Group's responsible marketing focus area if its RMF are not followed, impacting the Group's corporate purpose of delivering harm reduction.

Loss or misuse of personal data through a failure to comply with the European General Data Protection Regulation, the UK Data Protection Act 2018, e-Privacy laws and other privacy legislation governing the processing of personal data

Personal data is a subset of data which attracts different risks and treatment under applicable law. Breaches of data privacy laws include misuse of information which may not be confidential in nature. These include, for example, unsolicited marketing calls to a publicly available number, or using an individual's personal data in a way which was not authorised or in a way that the individual did not reasonably expect through technologies such as online tracking or monitoring.

Various privacy laws, including the European General Data Protection Regulation ("EU GDPR"), UK Data Protection Act 2018 ("UKDPA") and e-Privacy laws, govern the way in which organisations handle personal data of individuals (such as consumers, employees, contractors, service providers and other authorised persons) including tracking or monitoring their online behaviour.

Unintended or malicious breaches of data privacy laws may occur through system vulnerabilities, cyber-attacks, and by inappropriate or negligent behaviour by BAT employees, contractors, service providers or others.

Depending on the risk of harm to the individuals concerned, such breaches of data privacy laws (including mass personal data unavailability) could trigger a formal notification to a local data protection supervisory authority. This, in turn, could subject Group companies to not only regulatory scrutiny but also individual claims or even class action suits; and e-Privacy laws state that any misuse of consumer personal data or lack of transparency provided to consumers on how the Group use their data or track their online behaviours are subject to regulatory scrutiny.

Legal requirements relating to the collection, storage, handling, and transfer of personal data continue to evolve. Following the entry into force of the EU GDPR in May 2018, other jurisdictions in which the Group operates have enacted similar local legislation such as the California Consumer Privacy Act US and the "LGPD" in Brazil which further increases the risks surrounding the processing of personal data especially in the consumer space. As part of the Group's digital transformation, and move towards a more consumer centric approach, in particular related to New Categories, this could further increase these risks as the expectation is that the exposure to consumer data volumes will increase as well. With the emergence, and increased use in the Group's daily operations, of new technologies, including AI, these risks (particularly, personal data misuse in the context of automated decision making by leveraging AI) may be exacerbated.

Failure to comply with existing or future e-Privacy laws and privacy legislation governing the processing of personal data may adversely impact the Group's results of operations and financial condition.

Loss or unlawful use of personal data may result in civil or criminal legal liability and prosecution by enforcement bodies, which may subject the Group to the imposition of material fines and/or penalties and/or claims and costs associated with defending these claims (which could include class action suits brought by consumers). The fine under the EU GDPR and UK data privacy laws for the most severe infringements can be up to the higher of €20 million and 4 per cent. of the Group's worldwide annual revenue from the preceding financial year, whichever is higher. In the event of a plurality of actions, with

separate sanctionable conducts not caught by the principle of concurrence of conduct, fines can be applied alongside each other, without being a single legal maximum applicable to the sum. The Group's officers and employees may also be subject to personal criminal sanctions in certain jurisdictions. Non-compliance with the EU Artificial Intelligence Act can result in fines up to €35 million or 7 per cent. of a company's annual turnover. The Brazilian General Data Protection Law provides for fines up to 2 per cent. of a company's revenue in Brazil, capped at BRL50 million per violation. Under the California Consumer Privacy Act, the fines for non-compliance include up to US$7,500 per violation for intentional breaches.

Reputational damage could also potentially cause significant harm to the Group, including negative perceptions of the Group's governance and its sustainability credentials.

Relevant data protection supervisory authority could also order certain Group legal entities to cease processing activities, which could result in a significant operational disruption. Regulatory interest may also prompt interest from other compliance authorities/ governments, leading to further regulation or proceedings.

The occurrence of any of the above effects could in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

C. Economic and financial risks

Foreign exchange rate exposures

The Group's reporting currency is Sterling. The Group is exposed to the risk of fluctuations in exchange rates affecting the translation of net assets and earned profits of overseas subsidiaries into the Group's reporting currency. These translational exposures are not normally hedged.

Exposures also arise from the foreign currency denominated trading transactions undertaken by subsidiaries and dividend flows. When these exposures are not naturally offset by opposing flows, they are generally hedged in line with to internal policies. However, hedging might be constrained by factors such as exchange controls, limited currency availability or prohibitive costs, and errors in hedging might occur. Additionally, divergence in monetary policy in relation to interest rates across top markets can further amplify these risks.

During periods of heightened exchange rate volatility, the impact of exchange rates on the Group's results of operations and financial condition can be significant. Fluctuations in exchange rates of key currencies against Sterling may result in volatility in the Group's reported earnings per share, cash flow and balance sheet. Furthermore, the dividend paid by the Group may be impacted if the payout ratio is not adjusted. Differences in translation between earnings and net debt may also affect key ratios used by credit rating agencies to assess creditworthiness, which may have an adverse effect on the Group's credit ratings.

In addition, volatility and/or increased costs in the Group's business due to transactional foreign exchange rate exposures may adversely affect operating margins and profitability and attempts to increase prices, in response, could adversely impact sales volumes.

Moreover, the increased volatility observed in recent years in commodity prices, international trade policies and the fiscal backdrop of major economies, has contributed to additional volatility of exchange rates, impacting the financial performance of the Group's subsidiaries. The global dynamic backdrop of monetary policy actions, the inflation cycle, as well as the economic performance may also increase the exchange rate risk in the short term.

Inability to obtain price increases and exposure to risks from excessive price increases and value chain erosion

Annual price increases by the Group are among the key drivers in increasing market profitability. However, the Group has in the past been, and may in the future be, unable to obtain such price increases as a result

of increased regulation; increased competition from illicit trade; stretched consumer affordability arising from deteriorating political and economic conditions and rising prices; sharp increases or changes in excise structures; and competitors' pricing.

As the New Categories market continues to develop, the Group may face erosion in the value chain for New Categories through lower market prices, the imposition of excise taxes, high retail trade margins or high production costs that make New Categories less competitive versus combustible tobacco products.

In addition, the Group faces the risk that price increases it has conducted in the past, and may conduct in the future, may be excessive and not find adequate adult tobacco consumer acceptance.

If the Group is unable to obtain price increases or is adversely affected by impacts of excessive price increases, it may be unable to achieve its strategic growth metrics, have fewer funds to invest in growth opportunities, and, in the case of excessive price increases, be faced with quicker reductions in sales volumes than anticipated due to accelerated market decline, down-trading (switching to a cheaper brand) and increased illicit trade. These in turn impact the Group's market share, results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

In addition, erosion in the value chain for New Categories could have a negative impact on the Group's sales volume or pricing for these products. High excise could dampen demand for New Categories or result in lower profit margins. Lower market prices, high retail trade margins or increases in production costs could also negatively impact profit margins or lead to uncompetitive pricing. This may in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to underperform on the delivery of its strategic growth plans.

Effects of declining consumption of legitimate tobacco products and a tough competitive environment

Evidence of market contraction and the growth of illicit trade of tobacco products is apparent in several key global markets in which the Group operates. This decline is due to multiple factors, including increases in excise taxes leading to continuous above-inflation price rises, changes in the regulatory environment, the continuing difficult economic environment in many countries impacting consumers' disposable incomes, the increase in the trade of illicit tobacco products, rising health concerns, a decline in the social acceptability of smoking and an increase in Smokeless products uptake.

The Group competes based on the strength of its strategic brand portfolio, product quality and taste, brand recognition loyalty, innovation, trade marketing distribution activities and price. The Group is subject to highly competitive environments in all aspects of its business, and its competitive position can be significantly influenced by the prevailing economic climate, consumers' disposable income, regulation, competitors' introduction of lower-price or innovative products, higher tobacco and nicotine product taxes, higher absolute prices, governmental action to increase minimum wages, employment costs, interest rates and increase in raw material costs.

Furthermore, the Group is subject to substantial payment obligations under the MSA and the State Settlement Agreements (as defined below) (in the US) and settlement payments in respect of Canada, which adversely affect the ability of the Group to compete with manufacturers of deep-discount cigarettes that are not subject to such substantial obligations.

Any future decline in the demand for legitimate tobacco products could have an adverse effect on the Group's results of operations and financial conditions and cause the Group to fail to deliver on its strategic growth plans.

In a tough competitive environment, factors such as market size reduction, customer down-trading, illicit trade and competitors aggressively taking market share through price re-positioning or price wars generally reduce the overall profit pool of the market and may impact delivery of the Group's profits. This may also

lead to a decline in sales volume, loss of market share, impact delivery of the Group's sustainability agenda, erosion of its portfolio mix and reduction of funds available for investment in growth opportunities and may cause the Group to underperform on the delivery of its strategic growth plans.

Funding, liquidity and interest rate risks

The Group cannot be certain that it will have access to bank financing or to the debt and equity capital markets at all times and is therefore subject to funding and liquidity risks. Failure to appropriately engage with investors' and lenders' sustainability criteria and concerns may impact BAT's credit ratings, access to funding, or may result in an increase in the cost of funding.

The Group is also exposed to rising interest rates in connection with both existing floating rate debt and future debt refinancings. Although, interest rates have started to be cut by main central banks, having reached their peak after few years of intense hikes, in the attempt to tame inflation, further changes are expected to remain highly data dependent, with inflation and labour market trends playing an important role in central banks' future actions.

Furthermore, the Group operates in several markets closely regulated by governmental bodies that intervene in foreign exchange markets by imposing limitations on the ability to convert local currency into foreign currency and introducing other currency and capital controls that expose local currency cash balances to devaluation risks, increase costs to obtain hard currency, or are a barrier to the repatriation of earnings. As a result, the Group's operational entities in these markets may be restricted from using end market cash resources to pay for imported goods, dividend remittances, interest payments and royalties. The inability to access end market cash resources in certain markets contributes to the Group's funding and liquidity risks.

Compliance with sanctions and the restrictive policies of banks to facilitate transactions that are sanctions sensitive requires the Group to transfer and use sanctions sensitive cash in a compliant manner. Anti-money laundering legislation can also lead to additional restrictions relating to the payment and receipt of funds for both BAT as well as its business partners.

In addition, the Group's further development into the cannabis sector may lead to inaccessible proceeds from this activity, and such activity may expose the Group to further regulatory and legal risks due to different local and international laws. The Group may also face reputation and compliance issues due to various levels of acceptance of the cannabis sector by stakeholders which may restrict bank and/or investor access.

Adverse developments in the Group's funding, liquidity and interest rate environment may lead to shortages of cash and cash equivalents needed to operate the Group's business and to refinance its existing debt. Inability to fund the business under the Group's current capital structure, failure to access funding and foreign exchange or increases in interest rates may also have an adverse effect on the Group's credit rating, which would in turn result in further increased funding costs and may require the Group to issue equity or seek new sources of capital. Although the Group currently benefits from investment grade ratings from Moody's, S&P and Fitch, any adverse impact in the activity may trigger a rating revision. Any downgrade of the Group's credit ratings or loss of investment grade status could materially increase the Group's financing costs.

All these factors may have material adverse effects on the Group's results of operations and financial conditions and cause the Group to fail to deliver on its strategic growth plans. These conditions could also lead to underperforming bond prices and increased yields.

In the case of funding or liquidity constraints, the Group may also suffer reputational damage due to its perceived failure to manage the financial risk profile of its business, which may result in an erosion of shareholder value reflected in an underperforming share price, and/ or underperforming bond prices and

higher yields. In addition, the Group's ability to finance strategic opportunities or respond to threats may be impacted by limited access to funds.

Failure to achieve growth through mergers, acquisitions, joint ventures, investments and other transactions

The Group's growth strategy includes a combination of organic growth as well as mergers, acquisitions, joint ventures, investments and other business combinations. The Group may be unable to acquire or invest in attractive businesses on favourable terms and may inappropriately value or otherwise fail to identify or capitalise on growth opportunities. The Group may not be able to deliver strategic objectives and growth improvements from business combinations, successfully integrate businesses it acquires or establishes, or obtain appropriate regulatory approvals for business combinations. Risks from integration of businesses also include the risk that the integration may divert the Group's focus and resources from its other strategic goals. Furthermore, transactions may include risks associated with an unpredictable regulatory landscape, such as bans or more restrictive regulations which come into force after the acquisition.

Additionally, the Group could be exposed to financial, legal or reputational risks if it fails to appropriately consider and address any compliance, antitrust or sustainability aspects of a transaction or planned transaction. Further, the Group has certain uncapped indemnification obligations in connection with divestitures and could incur similar obligations in the future.

Any of the foregoing risks could result in increased costs, decreased revenues or a loss of opportunities and have an adverse effect on the Group's results of operations and financial condition, and in the case of a breach of compliance, product regulation or antitrust regulation, could lead to reputational damage, fines and potentially criminal sanctions and an adverse impact on the Group's sustainability priorities. This may impact the Group's ability to compete in the long-term.

Inability to execute planned divestments, or poorly executed or delayed divestments, may not deliver fair value, or may result in loss of potential sale proceeds resulting in fewer resources to drive quality growth or meet other corporate targets.

The Group may become liable for claims arising in respect of conduct prior to any merger or acquisition of businesses if deemed to be a successor to the liabilities of the acquired company or indemnification claims relating to divestitures, and any resulting adverse judgment against the Group may adversely affect its results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

Please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities applicable to the Group.

Unforeseen underperformance in key global markets

A substantial majority of the Group's profit from operations is based on its operations in certain top markets, including the US. A number of these markets are declining for a variety of factors, including price increases, restrictions on marketing activities and promotions, smoking prevention campaigns, increased pressure from anti-tobacco groups, accelerated migration to reduced-risk[*†] products and increasing prevalence of non-compliant New Categories competitors.

[*] Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

[†] Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Alongside external pressures, operational risks can intensify the situation. Examples include the concentration and consolidation of distribution into a single trade partner, and inaccuracies in demand forecasting that lead to write-offs across both traditional and New Categories products.

Economic and political factors affecting the Group's key markets include the prevailing economic climate, governmental austerity measures, levels of employment, inflation, governmental action to increase minimum wages, employment costs, interest rates, raw material costs, consumer confidence and consumer pricing.

Operational disruptions, failure of a key trade partner or inaccurate forecasts may lead to product shortages, excess inventory, or lost market opportunities. Change to the economic and political factors in any of the top markets in which the Group operates often affect consumer behaviour and have an impact on the Group's results of operations and financial condition. These could cause the Group to fail to deliver on its strategic growth plans and reduce its capacity to reinvest in innovation and harm reduction initiatives.

Increases in net liabilities under the Group's retirement benefit schemes

The Group currently maintains and contributes to defined benefit pension plans and other post-retirement benefit plans that cover various categories of employees and retirees worldwide. Although the Group has made significant progress in recent years to de-risk pension and post-retirement benefit plans, the Group's obligations to make contributions under the residual arrangements may increase in the case of increases in pension liabilities, decreases in asset returns, salary increases, inflation, decreases in long-term interest rates, increases in life expectancies, changes in population trends and other actuarial assumptions.

Higher contributions to the Group's retirement benefit schemes could have an adverse impact on the Group's results of operations, financial condition and ability to raise funds and cause the Group to fail to deliver on its strategic growth plans.

D. Product pipeline, commercialisation and intellectual property risks

Inability to predict consumers' changing behaviours and launch innovative products that offer adult tobacco and nicotine consumers meaningful value-added differentiation

The Group focuses its research and development activities on both creating new products, including New Categories and Beyond Nicotine products, whilst maintaining and improving the quality of its existing products. In a competitive market, the Group believes that innovation is key to growth. The Group considers that one of its key challenges in the medium and long term is to provide adult tobacco and nicotine consumers with high-quality products that take into account their changing preferences and expectations, including those in relation to sustainability, while complying with evolving regulation.

Predicting consumers' changing needs and behaviours across categories is a critical requirement for the Group's development. The Group is exposed to the risk it may fail to predict consumers' changing needs and behaviours across categories and fail to deliver its strategy effectively.

The Group continues to develop and roll out its New Categories portfolio, which requires significant investment. The Group is exposed to the risk that it may be unsuccessful in developing and launching innovative products or maintaining and improving the quality of existing products across combustibles, New Categories and Beyond Nicotine that offer consumers meaningful value-added differentiation. The Group must keep pace with innovation in its sector and changes in consumer expectations. The Group is also exposed to the risk of an inability to build sufficiently strong brand equity through social media and other digital tools to successfully compete. There are potential bans and restrictions in key markets on using social media to advertise and communicate and further such bans or restrictions could be enacted in the future. Competitors may be more successful in predicting changing consumer behaviour or better able to develop and roll out consumer-relevant products and may be able to do so more quickly and at a lower cost.

In addition, the Group devotes considerable resources to the research and development of innovative products that may have the potential to reduce the risks of smoking-related diseases. The complex nature of research and development programmes necessary to satisfy emerging regulatory and scientific requirements creates a substantial risk that these programmes will fail to demonstrate health-related claims regarding New Categories and Beyond Nicotine or to achieve adult tobacco consumer, regulatory and scientific acceptance.

Furthermore, the regulatory environment impacting non-combustible tobacco products, vapour products and other non-tobacco nicotine products and Beyond Nicotine, including classification of products for regulatory and excise purposes, is still developing and it cannot be predicted whether regulations will permit the marketing (freely or with certain restrictions) of such products in any given market in the future. Categorisation as medicines, for example, and restrictions on advertising could stifle innovation, increase complexity and costs and significantly undermine the commercial viability of these products.

Alternatively, categorisation of any New Categories, as tobacco products for instance, could result in the application of onerous regulation, which could further stifle uptake.

The inability to timely develop and roll out innovations or products in line with consumer demand, including any failure to predict changes in adult tobacco consumer and societal behaviour and expectations and to fill gaps in the product portfolio, as well as the risk of poor product quality, could lead to missed opportunities, under- or over-supply, loss of competitive advantage, unrecoverable costs and/or the erosion of the Group's consumer base or brand equity.

Restrictions on packaging and labelling or on promotion and advertising could impact the Group's ability to communicate its innovations and product differences to adult tobacco consumers, leading to unsuccessful product launches. An inability to provide robust scientific results sufficient to substantiate health-related product claims poses a significant threat to the ability to launch innovative products and comply with emerging regulatory and legal regimes.

The occurrence of any of the above effects could in turn have an adverse effect on the Group's results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plans.

In addition, there may be loss of investors' confidence in sustainability performance, including failure to deliver the Group's corporate purpose of harm reduction.

Exposure to risks associated with intellectual property rights, including the failure to identify, protect and prevent infringement of the Group's intellectual property rights and potential infringement of, or the failure to retain licences to use, third-party intellectual property rights

The Group relies on trade marks, patents, registered designs, copyrights, domain names and trade secrets. The brand names under which the Group's products are sold are key assets of its business. The protection and maintenance of these brand names and of the reputation of these brands is important to the Group's success. Protection of intellectual property rights is also important in connection with the Group's innovative products, including New Categories.

The Group is exposed to the risk of infringements of its intellectual property rights by third parties due to limitations in judicial protection, failure to identify, protect and register its innovations and/or inadequate enforceability of these rights in some markets in which the Group operates.

The Group currently is, and has in the past been, involved in various patent infringement litigation proceedings in the US related to the Group's vapour products. In 2024, a Group subsidiary entered into a settlement agreement with an indirect wholly-owned subsidiary of Philip Morris International Inc. ("PMI"). Pursuant to this agreement (the "Settlement Agreement"), among other things, both parties agreed to dismiss certain pending legal proceedings between the parties and certain of their affiliates concerning certain vapour and HP with prejudice and without admission of liability, to fully and finally discharge without

admission of liability any injunctions granted to the parties and their respective affiliates in such proceedings, and mutually release each other from presently known and past, present and future claims arising out of or relating to, among other things, such proceedings, the infringement of the patents at issue in the proceedings and certain intellectual property rights relating to certain products existing on or before a specified date. The parties also agreed to covenants not to sue, on a perpetual, royalty-bearing or royalty-free basis, as the case may be, in respect of patents associated with certain existing or changed vapour products or HP. Please refer to the "*Contingent liabilities and financial commitments*" section on pages 73 to 105 for details of contingent liabilities relating to patent litigation and related settlements applicable to the Group.

Some brands and trade marks under which the Group's products are sold are licensed for a fixed period of time in certain markets. If any of these licences are terminated or not renewed after the end of the applicable term, the Group would no longer have the right to use, and to sell products under, those brand(s) and trade mark(s).

In addition, as third party rights are not always identifiable, the Group may be subject to claims for infringement of third party intellectual property rights.

Any erosion in the value of the Group's brands or innovations, or failure to obtain or maintain adequate protection of intellectual property rights for any reason, or the loss of brands, trade marks or other intellectual property rights under licence to Group companies, may have a material adverse effect on the Group's market share, results of operations and financial condition. Any inability to appropriately protect the Group's products and key innovations will also limit its growth and affect competitiveness and return on innovation investment.

Any infringement of third-party intellectual property rights could result in interim or final injunctions, product recalls, legal liability and the payment of damages, any of which may disrupt operations, negatively impact the Group's reputation and have an adverse effect on its results of operations and financial condition and cause the Group to fail to deliver on its strategic growth plan. Litigation (even where successful) results in an intensive use of resources and management time leading to potential disruption. In addition, although intellectual property-related settlements, such as the 2024 settlement agreement with Philip Morris Products, S.A., allow the Group to focus on developing innovative product solutions, they could also have an adverse effect on the Group's results of operations and financial condition. For example, the payment of royalties would create higher costs for the Group, whereas the grant of licenses and/or covenants not to sue could result in a competitive advantage of the Group's competitors which, in turn, could result in lower demand for the Group's own products and cause the Group to fail to deliver on its strategic growth plans.

2 Factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme

Unless otherwise stated, references in this section to "Notes" are to the Senior Notes or Subordinated Notes, as the case may be, and to "Conditions of the Notes" are to the "*Terms and Conditions of the Senior Notes*" or "*Terms and Conditions of the Subordinated Notes*", as applicable, and capitalised terms used and not defined in this section, unless otherwise specified, have the meaning given to them in the "*Terms and Conditions of the Senior Notes*" or "*Terms and Conditions of the Subordinated Notes*", as applicable.

Risks related to the structure of a particular issue of Notes

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

Senior Notes

The Senior Notes are unsecured obligations of each Issuer and rank behind secured obligations on insolvency

Holders of secured obligations of each Issuer will have claims that are prior to the claims of holders of the Senior Notes to the extent of the value of the assets securing those other obligations. The Senior Notes are effectively subordinated to secured indebtedness to the extent of the value of the assets securing those other obligations. In the event of any distribution of assets or payment in any foreclosure, dissolution, winding-up, liquidation, reorganisation, or other bankruptcy proceeding, the assets securing the claims of secured creditors will be available to satisfy the claims of those creditors, if any, before they are available to unsecured creditors, including the holders of the Senior Notes. In any of the foregoing events, there is no assurance to holders of the Senior Notes that there will be sufficient assets to pay amounts due on the Senior Notes. As a result, holders of Senior Notes may receive less, rateably, than holders of any secured obligations.

The Senior Notes may be redeemed prior to maturity

In the event that an Issuer would be required to pay additional amounts in respect of any Senior Notes due to any withholding as provided in Condition 7 of the Conditions of the Senior Notes, such Issuer may redeem all of the Senior Notes then outstanding in accordance with the Conditions of the Senior Notes.

For further description of risks related to early redemption of the Senior Notes see also "*The Notes may be subject to optional redemption by an Issuer*".

The relevant Issuer may withdraw an offer if the Senior Notes are not listed on the Market on or about the Issue Date of the relevant Tranche

Where an offer of the Senior Notes is made in reliance on the exemption from the prohibition on offers to the public in paragraph 6(a) of Part 1 of Schedule 1 of the POATRs, the applicable Final Terms will indicate the offer is conditional on the Senior Notes being admitted to the trading on the Market. The offer of such Senior Notes may be withdrawn by the relevant Issuer without liability to the relevant Issuer or any investor if the Senior Notes are not admitted to the Market on or about the Issue Date of the relevant Tranche.

Subordinated Notes

BAT's obligations in respect of the Subordinated Notes are subordinated

BAT's obligations under the Subordinated Notes will be unsecured and subordinated. In the event that an order is made, or an effective resolution is passed, for the winding-up of BAT (otherwise than for the purposes of a solvent winding-up or substitution in place of BAT of a "successor in business" of BAT as further described in Condition 3 of the Conditions of the Subordinated Notes (as applicable)) or in the event that an administrator of BAT has been appointed and such administrator gives notice that it intends to declare and distribute a dividend, the claims of the Noteholders will rank (i) junior to the claims of holders of all applicable Senior Obligations, (ii) *pari passu* with the claims of holders of all applicable Parity Obligations and (iii) in priority to the claims of holders of all applicable Junior Obligations.

See Conditions 2(a) and 3(a) of the Conditions of the Subordinated Notes in respect of Deeply Subordinated Notes and Conditions 2(b) and 3(b) of the Conditions of the Subordinated Notes in respect of Ordinary Subordinated Notes.

By virtue of such subordination, the claims of holders of all applicable Senior Obligations will first have to be satisfied in any winding-up or analogous proceedings of BAT before the Noteholders or (if applicable) Couponholders may expect to obtain from BAT any recovery in respect of their Subordinated Notes or matured but unpaid Coupons. For the avoidance of doubt, in the case of any Deeply Subordinated Notes, Senior Obligations include Ordinary Subordinated Notes. A Noteholder may therefore recover less than the holders of unsubordinated or other subordinated liabilities of BAT. Furthermore, the Conditions of the

Subordinated Notes will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Subordinated Notes, which may be incurred or assumed by BAT from time to time, whether before or after the Issue Date as specified in the applicable Final Terms.

In addition, the Conditions of the Subordinated Notes provide that, subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by BAT in respect of, or arising under, or in connection with, the Subordinated Notes and each Noteholder shall, by virtue of their holding of any Subordinated Note, be deemed to have waived all such rights of set-off, compensation or retention. See Condition 3(c) of the Conditions of the Subordinated Notes.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Subordinated Notes will lose all or some of their investment should BAT become insolvent.

BAT has the right to defer interest payments on the Subordinated Notes

BAT may, at its discretion, elect to defer all or part of any payment of interest on the Subordinated Notes, subject to limited exceptions. See Condition 5 of the Conditions of the Subordinated Notes.

Any such deferral of interest payments shall not constitute a default under the Subordinated Notes or for any other purpose unless such payments are required to be made in accordance with the Condition 5(c) of the Conditions of the Subordinated Notes.

While the deferral of payment of interest continues, BAT is not prohibited from making payments on any instrument ranking senior to the Subordinated Notes or on certain instruments ranking *pari passu* with the Subordinated Notes and, in such event, the Noteholders are not entitled to claim immediate payment of interest so deferred. Only (i) upon the occurrence of a Compulsory Arrears of Interest Settlement Event; (ii) upon BAT making payment of interest on the Subordinated Notes on a scheduled Interest Payment Date following the Interest Payment Date on which a Deferred Interest Payment first arose; (iii) on the date of which the Subordinated Notes are redeemed or repaid in accordance with Conditions 3, 7 or 13 of the Conditions of the Subordinated Notes; or (iv) (if the applicable Final Terms specify "Extended Mandatory Settlement Date Provisions" as being applicable) on the date which is the Applicable Extended Mandatory Settlement Date Period (as specified in the applicable Final Terms) from the earliest Interest Payment Date on which any Deferred Interest Payment forming part of the accrued but unpaid Deferred Interest was (but for the deferral of interest in accordance with the Conditions of the Subordinated Notes) scheduled to be paid, will BAT be obliged to pay any such Deferred Interest to Noteholders.

Any deferral of interest payments or perceived likelihood of a future deferral of interest payments will likely have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of the interest deferral provisions of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in BAT's financial condition.

Subordinated Notes with a specified maturity date may not be redeemed unless and until all accrued but unpaid Deferred Interest in respect of such Subordinated Notes are satisfied in full, on or prior to the date set for the relevant redemption.

The Subordinated Notes may be subject to optional redemption, substitution or variation upon the occurrence of Special Events

Subject to the provisions in Condition 7 of the Conditions of the Subordinated Notes, if Issuer Call is specified as applicable in the applicable Final Terms, BAT may redeem all, but not some only, of the Subordinated Notes then outstanding on any Optional Redemption Date (as specified in the applicable Final Terms) at the Optional Redemption Amount(s) (as specified in the applicable Final Terms) applicable

to such Optional Redemption Date together with interest accrued to (but excluding) the relevant Optional Redemption Date (and including any accrued but unpaid Deferred Interest).

In addition, and subject to the provisions in Conditions 7 and 9 of the Conditions of the Subordinated Notes (as applicable), the Subordinated Notes may be redeemed at the option of BAT on the occurrence of (i) a Rating Capital Event, (ii) an Accounting Event, (iii) a Clean-Up Call Event, (iv) a Tax Deductibility Event, (v) a Tax Law Change Event or (vi) a Withholding Tax Event (each event, a "Special Event" as defined in the Conditions of the Subordinated Notes), in each case, in whole but not in part on any relevant redemption date at an applicable early redemption amount set out in the applicable Final Terms, in each case together with any accrued and unpaid interest up to (but excluding) the relevant redemption date (and including any accrued but unpaid Deferred Interest).

BAT may be expected to redeem the Subordinated Notes when its cost of borrowing is lower than the interest payable on the relevant Subordinated Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Subordinated 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.

Furthermore, if a Rating Capital Event, an Accounting Event, a Tax Deductibility Event, a Tax Law Change Event or a Withholding Tax Event has occurred and is continuing, then, subject to the provisions of Conditions 8 and 9 of the Conditions of the Subordinated Notes, BAT may (without any requirement for the consent or approval of the relevant Noteholders or Couponholders) at any time (instead of giving notice to redeem the Subordinated Notes of a relevant Tranche) substitute all, but not some only, of the Subordinated Notes of such Tranche for, or vary the terms of the Subordinated Notes of such Tranche so that the Subordinated Notes of such Tranche remain or become, as the case may be, Qualifying Notes. Whilst Qualifying Notes are required to have terms not otherwise materially less favourable to Noteholders than the terms of the relevant Subordinated Notes, there can be no assurance that the variation or substitution to Qualifying Notes will not have a significant adverse impact on the price of, and/or market for, the relevant Subordinated Notes or the circumstances of relevant individual Noteholders. For example, it is possible that the Qualifying Notes will contain conditions that are contrary to the investment criteria of certain investors and the tax and stamp duty consequences of holding the Qualifying Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the relevant Subordinated Notes prior to such substitution or variation.

The Trustee shall agree to such substitution or variation but without further responsibility or liability on the part of the Trustee, in each case upon the occurrence of a Rating Capital Event, a Tax Deductibility Event, a Tax Law Change Event, an Accounting Event or a Withholding Tax Event and subject to the receipt by the Trustee of the certificate of a director of BAT referred to in Conditions 8 and 9 of the Conditions of the Subordinated Notes. Any such variation and/or substitution may have a significant adverse impact on the price of, and/or the market for, the relevant Subordinated Notes.

Limited Remedies

The only event of default in the Conditions of the Subordinated Notes is if a default is made by BAT for a period of 14 days or more in relation to the payment of any principal or for a period of 21 days or more in the payment of any interest (including Deferred Interest) in respect of the Subordinated Notes and which is due and payable. In the event of such a default the Trustee may institute actions, steps or proceedings for the winding-up of BAT and/or prove in the winding-up or administration of BAT and/or claim in the liquidation or administration of BAT for such payment.

In addition, in the event that an order is made, or an effective resolution is passed, for the winding-up of BAT (otherwise than for the purposes of a solvent winding-up or substitution in place of BAT of a "successor in business" of BAT as further described in Condition 3 of the Conditions of the Subordinated Notes) or in the event that an administrator of BAT is appointed and such administrator gives notice that it intends to

declare and distribute a dividend, the rights and claims of the Noteholders against BAT will be subordinated to the claims of holders of all applicable Senior Obligations as further described in Condition 3(a) or Condition 3(b) (as applicable) of the Conditions of the Subordinated Notes. Accordingly, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or analogous proceedings before the relevant Noteholders may expect to obtain any recovery in respect of their Subordinated Notes and prior thereto Noteholders will have only limited ability to influence the conduct of such winding-up or analogous proceedings.

The current IFRS accounting classification of financial instruments such as the Subordinated Notes as either equity instruments or financial liabilities may change, which may result in the occurrence of an Accounting Event

Following the publication in June 2018 by the International Accounting Standards Board ("**IASB**") of the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the "**DP/2018/1 Paper**") and in subsequent discussions, the IASB decided in February 2021 not to implement the changes to the classification of financial obligations that only arise on liquidation of the entity that were contemplated in the DP/2018/1 Paper. These changes were not included in the related exposure draft published by the IASB in November 2023, although the exposure draft does suggest changing certain aspects of IAS 32 including the meaning of the term "liquidation" in connection with contingent settlement provisions. The IASB met in September 2025 to continue discussing the proposed requirements set out in the exposure draft. If similar proposals to those contemplated by the DP/2018/1 Paper are implemented or put forward in the future, or changes are introduced as a result of the ongoing discussions on the exposure draft, the current IFRS accounting classification of financial instruments such as the Subordinated Notes which are specified as either "equity" or "financial liability" in the applicable Final Terms as equity instruments or financial liabilities (as applicable) may change and this may result in the occurrence of an Accounting Event. In such an event, BAT will have the option to redeem, in whole but not in part, the Subordinated Notes pursuant to Condition 7(e) of the Conditions of the Subordinated Notes or substitute or vary the terms of the Subordinated Notes as described in Conditions 8 and 9 of the Conditions of the Subordinated Notes.

The implementation of any of the proposals set out in the DP/2018/1 Paper, the exposure draft or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Subordinated Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event.

For further description of risks related to early redemption or to substitution or variation of the Subordinated Notes see also "*The Subordinated Notes may be subject to optional redemption, substitution or variation upon the occurrence of Special Events*".

The Rate of Interest on the Subordinated Notes will reset on the First Reset Date and any Subsequent Reset Date thereafter, which can be expected to affect the interest payments on the Subordinated Notes and the market value of such Subordinated Notes

Although the Subordinated Notes will initially bear interest at the fixed Initial Rate of Interest (as defined in the Conditions of the Subordinated Notes) specified in the applicable Final Terms until (but excluding) the First Reset Date, the Rate of Interest for the Subordinated Notes will be reset on the First Reset Date (as set out in the Conditions of the Subordinated Notes) and on each Subsequent Reset Date, the interest payable on the Subordinated Notes will change and could be less than the Initial Rate of Interest or the Reset Rate for prior Reset Periods and could also be lower than then prevailing rates on fixed rate notes issued at the relevant time. Noteholders should be aware that such changes in the Rate of Interest payable on Subordinated Notes could adversely affect the market value of such Subordinated Notes and could therefore lead to losses for the Noteholders if they sell such Subordinated Notes.

Due to such varying interest rates, potential investors will not be able to determine a definite yield of the Subordinated Notes at the time they purchase them, and therefore their return on investment cannot be compared with that of investments having longer fixed interest periods.

The Noteholders of the Subordinated Notes are exposed to risks relating to the reset of interest rates linked to either the Mid-Swap Rate or Benchmark Gilt Rate

For the First Reset Period (as defined in the Conditions of the Subordinated Notes), the Subordinated Notes bear interest at a rate which will be (as determined on the relevant Reset Interest Determination Date) the sum of the relevant Reset Rate plus the First Margin. For each Subsequent Reset Period thereafter (if any) the Subordinated Notes will bear interest at a rate which will be (as determined on the relevant Reset Interest Determination Date) the sum of the relevant Reset Rate plus the relevant Subsequent Margin. The Reset Rate that the Subordinated Notes are reset by reference to will be either the Mid-Swap Rate or the Benchmark Gilt Rate (as specified in the applicable Final Terms). Potential investors should be aware that the performance of the Mid-Swap Rate or the Benchmark Gilt Rate and therefore the interest income on the Subordinated Notes cannot be anticipated.

Potential investors in the Subordinated Notes should bear in mind that neither the current nor the historical levels of the Mid-Swap Rate or the Benchmark Gilt Rate is an indication of the future development of such rates during the term of the Subordinated Notes.

In addition, the Noteholders are exposed to the risks as described under "*The Rate of Interest on the Subordinated Notes will reset on the First Reset Date and any Subsequent Reset Date thereafter, which can be expected to affect the interest payments on the Subordinated Notes and the market value of such Subordinated Notes*".

The Subordinated Notes may be perpetual securities

If Maturity Date is specified as not applicable in the applicable Final Terms, the Subordinated Notes will be perpetual securities in respect of which there is no fixed redemption date. If the Subordinated Notes are perpetual, subject to any early redemption of the Subordinated Notes in accordance with the Conditions of the Subordinated Notes, BAT is under no obligation to redeem or repurchase the Subordinated Notes at any time, and the Noteholders have no right to require redemption of the Subordinated Notes.

Therefore, prospective investors should be aware that, if the Subordinated Notes are perpetual securities, they may be required to bear material financial risks of an investment in the Subordinated Notes for an indefinite period of time and may not recover their investment in the foreseeable future. The Noteholders would only be able to realise value from the Subordinated Notes prior to an early redemption by selling their Subordinated Notes at their then market value in an available secondary market. In the absence of a secondary market for such Subordinated Notes, Noteholders may therefore not recover all or part of their investment in the foreseeable future. Therefore, the principal amount of the Subordinated Notes may not be repaid and Noteholders may lose the value of their capital investment in the Subordinated Notes.

Risks related to the Notes generally

The Notes may be subject to optional redemption by an Issuer

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the relevant Issuer. Such right of termination is often provided for Notes issued in periods of high interest rates. If the market interest rates decrease, the risk to holders that the relevant Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the holder. As a result, the holder may not receive the total amount of the capital invested. In

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

An optional redemption feature is likely to limit the market value of the Notes

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

BAT is a holding company

BAT is a holding company dependent on its subsidiaries and associates for dividends and other payments to service the Notes (in respect of the Subordinated Notes) and the Guarantee (in respect of the Senior Notes) respectively, and the other Obligors (in respect of the Senior Notes) are special finance subsidiaries without operating company subsidiaries and are dependent on payments from other Group members to service their obligations.

BAT and the other Obligors do not directly conduct business operations. Consequently, BAT (in respect of the Subordinated Notes) and the Obligors (in respect of the Senior Notes) are dependent on dividend and other payments from Group members to make payments on the Notes or the Guarantees (in respect of Senior Notes). Holders of the Notes will not have any direct claim on the cash flow or assets of any operating subsidiaries or BAT's associated companies. The operating subsidiaries in the Group and associated companies will have no obligation, contingent or otherwise, to pay amounts due under the Notes or the Guarantees (in respect of Senior Notes), or make funds available to BAT or the other Obligors (in respect of Senior Notes) for those payments.

The ability of subsidiaries or associates to make dividends or other payments will depend on their cash flows and earnings which, in turn, will be affected by all of the factors discussed herein. In addition, under the corporate law of many jurisdictions, including the United Kingdom, the ability of some subsidiaries and associates to pay dividends is limited to the amount of distributable reserves of such companies.

The Group may incur substantially more debt in the future

The Group may incur substantial additional indebtedness in the future, including in connection with future acquisitions, some of which may be secured by some or all of its assets. The terms of the Notes will not limit the amount of indebtedness the Group may incur. Any such incurrence of additional indebtedness could exacerbate the related risks that the Group faces.

Trading in the Clearing Systems

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the structure of a particular issue of Floating Rate Notes or Subordinated Notes (the regulation and reform of Benchmarks)

Reference rates and indices, including interest rate benchmarks (such as EURIBOR) which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("Benchmarks"), have been the subject of political and regulatory scrutiny as to how they are created and

operated. This has resulted in regulatory reform and changes to existing Benchmarks. Most reforms have now reached their planned conclusion with Benchmarks remaining subject to ongoing monitoring.

Regulation (EU) 2016/1011 (as amended) (the "EU Benchmarks Regulation") applies to the provision of in-scope Benchmarks, the contribution of input data to an in-scope Benchmark and the use of an in-scope Benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of in-scope "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a Benchmark which is in-scope of one or both regulations, in particular, if the methodology or other terms of the Benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes (and any changes to the administration of, or the methodology used to obtain, Benchmarks or the emergence of alternatives to certain Benchmarks) may cause them to perform differently than in the past or to be discontinued, could have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or the level of the relevant benchmark, or there could be other consequences which cannot be predicted.

The development of alternatives to EURIBOR may result in Notes linked to or referencing EURIBOR performing differently than would otherwise have been the case if such alternatives to EURIBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing or linked EURIBOR.

The potential disappearance of a Benchmark, changes to its administration or methodologies could require changes to the way in which the Rate of Interest is calculated in respect of (a) any Senior Notes referencing or linked to EURIBOR or (b) any Subordinated Notes by reference to certain Benchmarks (such as, if the relevant Subordinated Notes are denominated in euro, the relevant euro Mid-Swap Rate).

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation and/or the EU Benchmarks Regulation (as applicable), any reforms, investigations and licensing issues in making any investment decisions with respect to Notes linked to a Benchmark.

See "Risk Factors - Benchmark discontinuation" below.

Benchmark discontinuation

In the case of (A) Senior Notes which are Floating Rate Notes or (B) Subordinated Notes when the relevant Reset Rate of Interest (or any component part thereof) remains to be determined by reference to certain Benchmarks (such as, if the relevant Subordinated Notes are denominated in euro, the relevant euro Mid-Swap Rate), the Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as described in the Conditions of the Notes) occurs.

Benchmark Events (as defined in Condition 4(b)(ii)(B)(7) of the Conditions of the Senior Notes and Condition 4(h) of the Conditions of the Subordinated Notes) include (amongst other events) the permanent discontinuation of an Original Reference Rate and a public statement by the supervisor of the administrator of the relevant Original Reference Rate that such rate is no longer representative of its relevant underlying market. If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate,

the applicable Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 4(b)(ii)(B)(7) of the Conditions of the Senior Notes and Condition 4(h) of the Conditions of the Subordinated Notes), at the relevant Issuer's own expense, as soon as reasonably practicable. After consulting with the Independent Adviser, the relevant Issuer shall endeavour to determine a Successor Rate or, failing which, an Alternative Rate and in either case an Adjustment Spread if any (each as defined in Condition 4(b)(ii)(B)(7) of the Conditions of the Senior Notes and Condition 4(h) of the Conditions of the Subordinated Notes) and any Benchmark Amendments to be used in place of the Original Reference Rate.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions of the Notes also provide that an Adjustment Spread may be determined by the Issuer and applied to such Successor Rate or Alternative Rate. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. In determining a Successor Rate or Alternative Rate and Adjustment Spread (if applicable) the Issuer may be entitled to exercise discretion and may be subject to conflicts of interest in exercising this discretion.

Furthermore, if a Successor Rate, Alternative Rate and/or Adjustment Spread is determined by the Issuer, the Conditions of the Notes provide that, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, the Issuer may vary the Conditions of the Notes, the Agency Agreement, any Calculation Agency Agreement (in the case of Subordinated Notes) and/or the Trust Deed, as necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, without any requirement for consent or approval of the Noteholders or the Couponholders.

The use of any Successor Rate or Alternative Rate to determine the Rate of Interest, as applicable, and the application of an Adjustment Spread (if applicable) may result in the Notes performing differently (which may include payment of a lower Rate of Interest or Subsequent Reset Rate of Interest, as applicable) than they would do if the Original Reference Rate were to continue to apply in its current form. Furthermore, the composition and characteristics of the Successor Rate or Alternative Rate (as applicable) may not be the same as those of the Original Reference Rate. Each of the foregoing means that a Benchmark Event may adversely affect the value of the Notes, the return on the Notes and the price at which investors can sell such Notes.

Potential for a fixed rate of return

The Issuer may be unable to appoint an Independent Adviser or the Issuer may not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date or, in respect of Subordinated Notes, the relevant Reset Interest Determination Date in respect of a relevant Reset Period, the Rate of Interest (or relevant component thereof) for the next succeeding Interest Period (in respect of the Senior Notes), or Reset Period (or Interest Accrual Period) (in respect of the Subordinated Notes), shall be:

i. in respect of Senior Notes, equal to the Rate of Interest applicable as at the last preceding Interest Period before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest; and

ii. in respect of Subordinated Notes, determined using the Original Reference Rate.

Where the Issuer is unable to appoint an Independent Adviser or has been unable to determine a Successor Rate or Alternative Rate in respect of any given Interest Period or Reset Period, as applicable, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Interest Determination Date or Reset Interest Determination Date, as applicable, and/or to determine a

Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Interest Periods or Reset Periods, as applicable.

In respect of the Senior Notes, applying the initial Rate of Interest or the Rate of Interest applicable as at the last preceding Interest Period before the occurrence of the Benchmark Event, or, in the case of Subordinated Notes, using the Original Reference Rate, both as described in (i) and (ii) above, is likely to result in the Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the adjusted Rate of Interest calculated utilising these fallback mechanics will continue to apply to maturity or redemption. This risks the applicable Floating Rate Notes or Subordinated Notes, in effect, becoming fixed rate Notes.

Investors should consider these matters with respect to Floating Rate Notes or the Subordinated Notes and consult their own independent advisers and make their own assessment about the potential risks imposed by benchmark regulation reforms when making their investment decision with respect to such Notes.

Change of law

The relevant Conditions will be based on English law in effect as at the date of issue of relevant 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 the issue of the relevant Notes.

Modification, Waiver and Substitution

The Trust Deed will contain provisions for calling meetings of Noteholders of the relevant Series (including by way of audio or video conference call) to consider matters affecting their interests generally or those of Couponholders. These provisions will permit defined majorities to bind all Noteholders of a relevant Series including Noteholders who did not attend and vote at the relevant meetings and Noteholders who voted in a manner contrary to the majority.

The Conditions of each Series (as applicable) will provide that the Trustee may, without the consent of the relevant Noteholders or Couponholders, agree to (i) any modification of the relevant Conditions or of any other provisions of the Trust Deed which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law, and (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach by the applicable Issuer of, any of the relevant Conditions or of the provisions of the Trust Deed which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders and Couponholders (which in the case of Subordinated Notes issued under the Programme will not include, for the avoidance of doubt, any provision entitling the relevant Noteholders to institute actions, steps or proceedings for the winding-up of the Issuer in circumstances which are more extensive than those set out in the Condition 13 of the Conditions of the Subordinated Notes).

The Conditions of the Senior Notes will provide that the Trustee may, without the consent of the relevant Noteholders or Couponholders and subject to certain other conditions set out in the Trust Deed, agree to the substitution (i) in place of the applicable Issuer as the principal debtor under the Notes and the Trust Deed of any Guarantor or any successor in business or Holding Company (as defined in the Trust Deed) of any Guarantor or any other subsidiary of any Guarantor, such successor in business or such Holding Company provided that all payments in respect of the Notes continue to be unconditionally and irrevocably guaranteed by each Guarantor or the successor in business or Holding Company of each Guarantor in the manner provided in the Trust Deed (or, where a Guarantor or its successor in business or Holding Company is the new principal debtor, by the other Guarantors or their successors in business or Holding

Companies); or (ii) in place of any Guarantor as guarantor of the Notes under the Trust Deed, of any successor in business or Holding Company of any Guarantor.

The Conditions of the Subordinated Notes will provide that the Trustee may, without the consent of the relevant Noteholders or Couponholders and subject to certain other conditions set out in the Trust Deed, agree to the substitution in place of the Issuer as the principal debtor under the Subordinated Notes and the Trust Deed of any successor in business or Holding Company (as defined in the Trust Deed) of the Issuer or any other Subsidiary of the Issuer, provided that (i) (in the case of any substitution by any other Subsidiary of the Issuer or such holding company) all payments in respect of the Subordinated Notes continue to be unconditionally and irrevocably guaranteed by the Issuer or the successor in business of the Issuer in the manner provided in the Trust Deed and (ii) that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders and Couponholders.

In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(b)(ii)(B)(4) of the Conditions of the Senior Notes or Condition 4(b)(iv) of the Conditions of the Subordinated Notes (as applicable) without the consent of the Noteholders or the Couponholders.

Risks related to the market generally

An active trading market for the Notes may not develop

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained or remain liquid. If a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Exchange rate risks and exchange controls

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

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

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

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

Risks relating to holding CREST Depository Interests

Certain Senior Notes may be held as CREST Depositary Interests and holders of such Senior Notes will be subject to additional provisions and, as a result, the rights of, and returns received by, the holders of such Senior Notes may differ from those of holders of Senior Notes which are not represented by CREST Depositary Interests

Terms used in this risk factor and not otherwise defined shall have the meanings given to such terms in the section entitled "*Form of the Notes —CREST Depositary Interests*" in this Base Prospectus.

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

CDI Holders will hold or have an interest in a separate legal instrument and not be the legal owners of the Senior Notes. The rights of CDI Holders to the Senior Notes are represented by the relevant entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Senior Notes. Accordingly, rights under the Senior Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians. The enforcement of rights under the Senior Notes will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Senior Notes in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Senior Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the relevant Issuer, including the CREST Deed Poll. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of, and returns received by, CDI Holders may differ from those of holders of Senior Notes which are not represented by CDIs.

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

Potential investors should note that none of the Issuer, the Guarantors, the relevant Dealer, the Trustee and the Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

For further information on the issue and holding of CDIs see the section entitled "*Form of the Notes — CREST Depositary Interests*" in this Base Prospectus.

Credit ratings may not reflect all risks

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

BATIF

Incorporation and business

BATIF was incorporated as a private limited company under the laws of England and Wales on 10 July 1972 with registration number 1060930 and was re-registered as a public limited company on 8 September 1981. BATIF is domiciled in the United Kingdom. The registered address of BATIF is Globe House, 4 Temple Place, London WC2R 2PG. The website of BATIF is *https://www.bat.com/*. No information on such website forms part of this Base Prospectus except as specifically incorporated by reference in accordance with PRM 5, see "*Documents Incorporated by Reference*". BATIF has an issued share capital of £231,000,000 represented by shares of £1 each.

Organisational structure

BATIF is a wholly-owned subsidiary of BAT and its principal function is to operate as a financing company for the Group.

BATIF Dollar Limited and BATNF are subsidiaries of BATIF.

Administrative, management and supervisory bodies of BATIF

Directors

The following is a list of the Directors of BATIF:

Name	Function
J. Fry	Director
C.E.J. Harris	Director
N.A. Wadey	Director
C. Ferland	Director
D.W.K. Wong	Director

None of the Directors listed above performs activities outside the Group which are significant with respect to the Group.

The business address of the Directors of BATIF is Globe House, 4 Temple Place, London WC2R 2PG.

Administrative, management and supervisory bodies' conflicts of interest

There are no potential conflicts of interest between any duties to BATIF of the Directors listed above and/or their private interests and other duties.

BATNF

Incorporation and business

BATNF was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 23 April 2014. It has its statutory seat (*statutaire zetel*) in Amstelveen and its registered office at Handelsweg 53A, 1181 ZA Amstelveen, The Netherlands. BATNF is registered with the Trade Register (*Handelsregister*) of the Chamber of Commerce under number 60533536. BATNF is domiciled in The Netherlands. The website of BATNF is *https://www.bat.com/*. No information on such website forms part of this Base Prospectus except as specifically incorporated by reference, see "*Documents Incorporated by Reference*". BATNF has an issued share capital of €18,000 represented by shares of €450 each.

Organisational structure

BATNF is a wholly-owned subsidiary of BATIF and its principal function is to operate as a financing company for the Group.[*]

BATNF does not have any subsidiary entities.

Administrative, management and supervisory bodies of BATNF

Directors

The following is a list of Directors of BATNF:

Name	Function
J.E.P. Bollen	Director
D.P.I. Booth	Director
H.M.J. Lina	Director
D.W.K. Wong	Director

None of the Directors listed above performs activities outside the Group which are significant with respect to the Group.

Save for D.P.I. Booth and D.W.K. Wong, each of whose business address is Globe House, 4 Temple Place, London WC2R 2PG, the business address of the other Directors of BATNF is Handelsweg 53A, 1181 ZA Amstelveen, The Netherlands.

Administrative, management and supervisory bodies' conflicts of interest

There are no potential conflicts of interest between any duties to BATNF of the Directors listed above and/or their private interests and other duties.

[*] *According to the Articles of Association of BATNF currently in force, the objects of BATNF also includes the manufacture of Tobacco products, as well as the trade in the aforementioned products.*

BATCAP

Incorporation and business

BATCAP was incorporated with limited liability under the laws of the State of Delaware, United States of America on 6 April 1981. BATCAP is domiciled in the State of Delaware. The registered address of BATCAP is 103 Foulk Road, Suite 120, Wilmington, Delaware 19803, United States of America. The website of BATCAP is https://www.bat.com/. No information on such website forms part of this Base Prospectus except as specifically incorporated by reference, see "*Documents Incorporated by Reference*". BATCAP has an authorised and issued share capital of US$2,000 represented by two thousand shares of US$1 each.

Organisational structure

BATCAP is a wholly-owned indirect subsidiary of BAT and its principal function is to operate as a financing company for the Group.

BATCAP does not have any subsidiary entities.

Administrative, management and supervisory bodies of BATCAP

Directors

The following is a list of Directors of BATCAP:

Name	Function
T. Derr	Director
C.E.J. Harris	Director
A.B. Petitt	Director
A. Trbonja	Director
D.W.K. Wong	Director

None of the Directors listed above performs activities outside the Group which are significant with respect to the Group.

Save for C.E.J. Harris and D.W.K. Wong, whose business address is Globe House, 4 Temple Place, London WC2R 2PG, the business address of the other Directors of BATCAP is 103 Foulk Road, Suite 120, Wilmington, Delaware 19803, United States of America.

Administrative, management and supervisory bodies' conflicts of interest

There are no potential conflicts of interest between any duties to BATCAP of the Directors listed above and/or their private interests and other duties.

BAT AND THE GROUP

History and development

BAT was incorporated on 23 July 1997 under the laws of England and Wales with registration number 03407696 as a public limited company. BAT was registered as an external company in the Republic of South Africa on 13 October 2008 with the registration number 2008/023963/10 and its representative office in South Africa is located at Waterway House South, No 3 Dock Road, V&A Waterfront, Cape Town 8000, South Africa (P.O. Box 631, Cape Town 8000, South Africa). BAT is domiciled in the United Kingdom. BAT is the parent holding company for the Group. The website of BAT is *https://www.bat.com/*. No information on such website forms part of this Base Prospectus except as specifically incorporated by reference, see "*Documents Incorporated by Reference*".

The financial information set out in the section below headed "*British American Tobacco*" has been extracted without material adjustment from the annual report and consolidated financial statements of BAT for the financial year ended 31 December 2025 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. UK-adopted international accounting standards differ in certain respects from IFRS as issued by the IASB. The differences have no impact on the Group's consolidated financial statements for the periods presented.

British American Tobacco

BAT is a global multi-category consumer goods business that provides combustible and smokeless products to millions of adult tobacco and nicotine consumers around the world.

While the Group's heritage – and the foundation of its success – is in cigarettes, its purpose is to create 'A Better Tomorrow' by 'Building a Smokeless World'. While addictive and not risk free, the Group markets smokeless products with a reduced-risk[*†] profile to adult smokers, who would otherwise continue to choose to smoke, to encourage them to switch completely to the Group's smokeless alternatives, which includes vapour products, heated products, modern oral products and traditional oral products.

This commitment is underpinned by world-leading science and demonstrated by the Group's ambition to have 50 million adult consumers of its Smokeless products by 2030 and for these products to deliver 50 per cent. of Group revenue by 2035. As of 31 December 2025, there were 34.1 million consumers of BAT's Smokeless products, which accounted for 18.2 per cent. of Group revenue.

In parallel, the Group continues to be clear that combustible cigarettes pose serious health risks, and the only way to avoid these risks is not to start or to quit.

The Group, excluding the Group's associated undertakings, is organised into three regions: the United States of America (RAI); Americas and Europe (AME); and Asia-Pacific, the Middle East and Africa (APMEA).

The Group's strategic portfolio is made up of its global cigarette brands and a growing range of smokeless products. These include the vapour product brand 'Vuse', the heated product brand 'glo'; 'Velo', the Group's modern oral (nicotine pouch) brand, and the traditional oral product brand 'Grizzly'.

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[*] Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

[†] Products sold in the U.S., including Vuse, Velo, Grizzly, Kodiak, and Camel Snus, are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

The Group manages a globally-integrated supply chain and its products are distributed to retail outlets worldwide.

The Group also continues to seek to reduce its use of natural resources, manage human rights risks across its supply chain and make progress towards its sustainability targets, including its climate goal to be net zero across its value chain by 2050.

Adjusted profit from operations for 2025 decreased by 2.7 per cent. to £11,572 million, compared with £11,890 million in 2024 at current rates of exchange (representing an increase of 0.4 per cent. at constant rates of exchange). The Group profit for the year 2025 increased by 144.1 per cent. to £7,765 million, compared with a profit of £3,181 million in 2024 at current rates of exchange. The improvement largely related to the lower net impact in respect of the Canadian settlement described on pages 87 - 88.

Contingent liabilities and financial commitments

The Group is subject to contingencies pursuant to requirements that it complies with relevant laws, regulations and standards.

Failure to comply could result in restrictions in operations, damages, fines, increased tax, increased cost of compliance, interest charges, reputational damage or other sanctions. These matters are inherently difficult to quantify. In cases where the Group has an obligation as a result of a past event existing at the balance sheet date, if it is probable that an outflow of economic resources will be required to settle the obligation and if the amount of the obligation can be reliably estimated, a provision will be recognised based on best estimates and management judgment.

There are, however, contingent liabilities in respect of litigation, taxes in some countries and guarantees for which no provisions have been made.

General Litigation Overview

There are a number of legal and regulatory actions, proceedings and claims against Group companies related to tobacco and New Category products that are pending in a number of jurisdictions. These proceedings include, among other things, claims for personal injury (both individual claims and class actions) and claims for economic loss arising from the treatment of smoking- and health-related diseases (such as medical recoupment claims brought by local governments).

The plaintiffs in these cases seek recovery on a variety of legal theories, including negligence, strict liability in tort, design defect, failure to warn, fraud, misrepresentation, violations of unfair and deceptive trade practices statutes, conspiracy, public nuisance, medical monitoring and violations of competition and antitrust laws. The plaintiffs seek various forms of relief, including compensatory and, where available, punitive damages, treble or multiple damages and statutory damages and penalties, creation of medical monitoring and smoking cessation funds, disgorgement of profits, attorneys' fees, and injunctive and other equitable relief.

Although alleged damages often are not determinable from a complaint, and the law governing the pleading and calculation of damages varies from jurisdiction to jurisdiction, compensatory and punitive damages have been specifically pleaded in a number of cases, sometimes in amounts ranging into the hundreds of millions and even hundreds of billions of Sterling.

The Group has successfully managed tobacco-related litigation, and a very high percentage of the tobacco-related litigation claims brought against Group companies, including *Engle* progeny cases, continue to be dismissed at or before trial. Based on their experience in tobacco-related litigation and the strength of the defences available to them in such litigation, the Group's companies believe that their successful defence of tobacco-related litigation in the past will continue in the future.

It is the policy of the Group to defend tobacco-related litigation claims vigorously. However, Group companies may enter into settlement discussions in certain cases, if they believe it is in their best interests to do so. Group companies, for example, may enter into settlement discussions in particular cases, actions taken pursuant to 'offer of judgment' statutes and Filter Cases, as defined below. An 'offer of judgment', if rejected by the plaintiff, preserves the Group's right to recover attorneys' fees under certain statutes in the event of a verdict favourable to the Group. Such offers are sometimes made through court-ordered mediations. Other settlements by Group companies include the State Settlement Agreements (as defined below), the funding by various tobacco companies of a US$5.2 billion (£3.9 billion) trust fund contemplated by the Master Settlement Agreement ("MSA") to benefit tobacco growers, the original *Broin* flight attendant case, and most of the *Engle* progeny cases pending in US federal court, after the initial docket of over 4,000 such cases was reduced to approximately 400 cases. The Group believes that the circumstances surrounding these claims are readily distinguishable from the current categories of tobacco-related litigation claims involving Group companies.

Although the Group intends to defend all pending cases vigorously and believes that the Group's companies have valid bases for appeals of adverse verdicts, valid defences to all actions, and that an outflow of resources related to any individual case is not considered probable, litigation is subject to many uncertainties, and generally, it is not possible to predict the outcome of any particular litigation pending against Group companies or to reasonably estimate the amount or range of any possible loss. Furthermore, a number of political, legislative, regulatory and other developments relating to the tobacco industry and cigarette smoking have received wide media attention. These developments may negatively affect the outcomes of tobacco-related legal actions and encourage the commencement of additional similar litigation. Therefore, the Group does not provide estimates of the financial effect of the contingent liabilities represented by such litigation, as such estimates are not practicable.

The following table lists the categories of the tobacco-related actions pending against Group companies as at 31 December 2025 and the increase or decrease from the number of cases pending against Group companies as at 31 December 2024. Details of the quantum of past judgments awarded against Group companies, the majority of which are under appeal, are also identified along with any settlements reached during the relevant period. Given the volume and more active nature of the *Engle* progeny cases and the Filter Cases in the US described below, and the fluctuation in the number of such cases and amounts awarded from year to year, the Group presents judgment or settlement figures for these cases on a three-year basis. Where no quantum is identified, either no judgment has been awarded against a Group company, or where a verdict has been reached no quantification of damages has been given, or no settlement has been entered into. Further details on the judgments, damages quantification and settlements are included within the case narratives below. For a discussion of the non-tobacco related litigation pending against the Group, see further below.

Case Type	Case Numbers as at 31 December 2025 (Note 1)	Case Numbers as at 31 December 2024 (Note 1)	Change in Number Increase/ (decrease)
US tobacco-related actions			
Medical reimbursement cases (Note 2)	1	2	(1)
Class actions (Note 3)	19	19	No change
Individual smoking and health cases (Note 4)	194	197	(3)
Engle Progeny Cases (Note 5)	33	91	(58)
Broin II Cases (Note 6)	1	69	(68)

Case Type	Case Numbers as at 31 December 2025 (Note 1)	Case Numbers as at 31 December 2024 (Note 1)	Change in Number Increase/ (decrease)
Filter Cases (Note 7).....	31	29	2
State Settlement Agreements – Enforcement and Validity (Note 8) ……..	4	5	(1)
Non-US tobacco-related actions			
Medical reimbursement cases.....	8	18	(10)
Class actions (Note 9).....	2	12	(10)
Individual smoking and health cases (Note 10).....	42	50	(8)

(Note 1) This includes cases to which the RAI group companies were a party at such date.

(Note 2) This category of cases includes the DOJ action (see below).

(Note 3) See below.

(Note 4) See below.

(Note 5) See below.

(Note 6) See below.

(Note 7) See below.

(Note 8) See below.

(Note 9) Outside the United States, there were two class actions being brought against Group companies as at 31 December 2025. These include one class action in Canada and one class action in Venezuela. For a description of the Group companies' non-US class actions, see below. All outstanding tobacco litigation in Canada prior to the implementation of the Approved Plans on 29 August 2025 has been resolved and all relevant Group companies have been provided releases in full for all historical tobacco-related claims in Canada, although the procedural dismissal of the proceedings is ongoing (see below).

(Note 10) As at 31 December 2025, the jurisdictions with the most active individual cases against Group companies were, in descending order: Chile (20), Brazil (seven), Italy (five), Argentina (five), Ireland (two) and Türkiye (two). There was a further jurisdiction with one active case only. For further information, see below.

Certain terms and phrases used in this section may require some explanation.

(i) "Judgment" or "final judgment" refers to the final decision of the court resolving the dispute and determining the rights and obligations of the parties. At the trial court level, for example, a final judgment generally is entered by the court after a jury verdict and after post-verdict motions have been decided. In most cases, the losing party can appeal a verdict only after a final judgment has been entered by the trial court.

(ii) "Damages" refers to the amount of money sought by a plaintiff in a complaint, or awarded to a party by a jury or, in some cases, by a judge. "Compensatory damages" are awarded to compensate the prevailing party for actual losses suffered, if liability is proved. In cases in which there is a finding that a defendant has acted wilfully, maliciously or fraudulently, generally based on a higher burden of proof than is required for a finding of liability for compensatory damages, a plaintiff also may be awarded "punitive damages". Although damages may be awarded at the trial court stage, a losing

party may be protected from paying any damages until all appellate avenues have been exhausted by posting a supersedeas bond. The amount of such a bond is governed by the law of the relevant jurisdiction and generally is set at the amount of damages plus some measure of statutory interest, modified at the discretion of the appropriate court or subject to limits set by a court or statute.

(iii) "Settlement" refers to certain types of cases in which cigarette manufacturers, including RJRT, Brown & Williamson Tobacco Corporation (now known as Brown & Williamson Holdings, Inc.) ("B&W"), and Lorillard Tobacco Company ("Lorillard Tobacco"), have agreed to resolve disputes with certain plaintiffs without resolving the cases through trial and/or appeal.

(iv) All sums set out in this section have been converted to GBP using the following end closing rates applicable for 31 December 2025, which differ from the rates at the time any related provision was recorded on the balance sheet: GBP 1 to US$ 1.3451, GBP 1 to CAD$ 1.8437, GBP 1 to EUR 1.1453, GBP 1 to AOA 1,241.5242 (Angolan Kwanza), GBP 1 to ARS 1,952.4108 (Argentine Peso), GBP 1 to BDT 164.432 (Bangladeshi Taka), GBP 1 to BRL 7.371 (Brazilian Real), GBP 1 to MZN 85.9554 (Mozambican Metical), GBP 1 to NGN 1,945.9511 (Nigerian Naira), GBP 1 to KRW 1,937.6100 (South Korean Won) and GBP 1 to TRY 57.7887 (Turkish Lira). In addition, due to the adoption of the euro by the Croatian State, the European Central Bank set a conversion rate of EUR to HRK on 1 January 2023 as 1 EUR to HRK 7.5345.

US Tobacco Litigation

Group companies, notably RJRT (individually and as successor by merger to Lorillard Tobacco) and B&W as well as other leading cigarette manufacturers, are defendants in a number of product liability cases. In a number of these cases, the amounts of compensatory and punitive damages sought are significant.

The total number of US tobacco product liability cases pending as at 31 December 2025 involving RJRT, B&W, Santa Fe Natural Tobacco Company, Inc. ("SFNTC") and/or Lorillard Tobacco was approximately 297.

Since many of these pending cases seek unspecified damages, it is not possible to quantify the total amounts being claimed, but the aggregate amounts involved in such litigation are significant, possibly totalling billions of US dollars. The cases fall into four broad categories: medical reimbursement cases; class actions; individual cases; and other claims.

RJRT (individually and as successor by merger to Lorillard Tobacco), American Snuff Company, LLC ("American Snuff Co."), SFNTC, RJR Vapor, RAI, Lorillard Inc., other RAI affiliates and indemnitees, including but not limited to B&W (collectively, the "Reynolds Defendants"), believe that they have valid defences to the tobacco-related litigation claims against them, as well as valid bases for appeal of adverse verdicts against them. The Reynolds Defendants have, through their counsel, filed pleadings and memoranda in pending tobacco-related litigation that set forth and discuss a number of grounds and defences that they and their counsel believe have a valid basis in law and fact.

Scheduled trials. Trial schedules are subject to change, and many cases are dismissed before trial. In the US, as at 31 December 2025, there are 37 cases, exclusive of *Engle* progeny cases, scheduled for trial through 31 December 2026, for the Reynolds Defendants: 30 individual smoking and health cases, three Filter Cases and four other cases. Thereafter, as of 15 January 2026, two additional Filter Cases were scheduled for trial through 31 December 2026, bringing the Filter Cases total to five scheduled trials through 31 December 2026. There are also approximately 11 *Engle* progeny cases against RJRT (individually and as successor to Lorillard Tobacco) and B&W scheduled for trial through 31 December 2026. It is not known how many of these cases will actually be tried.

Trial results. From 1 January 2023 through 31 December 2025, 43 trials occurred in individual smoking and health, Engle progeny, and other cases in which the Reynolds Defendants were defendants, including 10 trials where mistrials were declared. Verdicts in favour of the Reynolds Defendants and, in some cases,

other defendants, were returned in 17 cases, tried in Florida (eight), Oregon (one), Massachusetts (four), Illinois (one), Delaware (one) and New Mexico (two). Verdicts in favour of the plaintiffs were returned in 16 cases, tried in Florida (six), Massachusetts (seven), New Mexico (one), and Hawaii (two).

(a) Medical Reimbursement Cases

These civil actions seek to recover amounts spent by government entities and other third-party providers on healthcare and welfare costs claimed to result from illnesses associated with smoking.

As at 31 December 2025, one US medical reimbursement suit (*Crow Creek Sioux Tribe v. American Tobacco Co.*, filed in 1997) was pending against RJRT, B&W and Lorillard Tobacco in a Native American tribal court in South Dakota. The plaintiffs seek to recover actual and punitive damages, restitution, funding of a clinical cessation programme, funding of a corrective public education programme, and disgorgement of unjust profits from sales to minors. There has been no recent activity in this case, and no other medical reimbursement suits are pending against these companies by county or other political subdivisions of the states.

US Department of Justice Action

On 22 September 1999, the DOJ brought an action in the US District Court for the District of Columbia against various industry members, including RJRT, B&W, Lorillard Tobacco, B.A.T Industries p.l.c. ("Industries") and British American Tobacco (Investments) Limited ("Investments") (*United States v. Philip Morris USA Inc.).* The DOJ initially sought (i) recovery of certain federal funds expended in providing health care to smokers who developed alleged smoking-related diseases and (ii) equitable relief under the civil provisions of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), including (a) disgorgement of roughly US$280 billion (£208.2 billion) in profits allegedly earned from a purported racketeering 'enterprise' - a remedy the US Court of Appeals for the District Court Circuit (the "DC Circuit") ruled in February 2005 was not available and (b) certain 'corrective communications'. In September 2000, the district court dismissed Industries for lack of personal jurisdiction and dismissed the health care cost recovery claims.

After a roughly nine-month non-jury trial of the remaining RICO claims, the district court issued its Final Judgment and Remedial Order (the "Remedial Order") on 17 August 2006. The Remedial Order found certain defendants, including RJRT, B&W, Lorillard Tobacco and Investments, had violated RICO, imposed financial penalties and enjoined the defendants from committing future racketeering acts, participating in certain trade organisations, making misrepresentations concerning smoking and health and youth marketing, and using certain brand descriptors such as 'low tar', 'light', 'ultra-light', 'mild' and 'natural'. The Remedial Order also required the defendants to issue 'corrective communications' on five subjects, including smoking and health and addiction, and to comply with further undertakings, including maintaining websites of historical corporate documents and disseminating certain marketing information on a confidential basis to the government. In addition, the district court placed restrictions on the defendants' ability to dispose of certain assets for use in the United States, unless the transferee agrees to abide by the terms of the district court's order.

The parties appealed and cross-appealed and, on 22 May 2009, the DC Circuit affirmed the district court's RICO liability judgment but vacated the Remedial Order in part and remanded for further factual findings and clarification as to whether liability should be imposed against B&W, based on changes in the nature of B&W's business operations (including the extent of B&W's control over tobacco operations). The DC Circuit also remanded three other discrete issues relating to the injunctive remedies, including for the district court 'to reformulate' the injunction on the use of low-tar descriptors 'to exempt foreign activities that have no substantial, direct, and foreseeable domestic effects,' and for the district court to evaluate whether corrective communications could be required at point-of-sale displays (which requirement the DC Circuit vacated). On 28 June 2010, the US Supreme Court denied the parties' petitions for further review.

On 22 December 2010, the district court dismissed B&W from the litigation. Due to intervening changes in controlling law, on 28 March 2011, the district court ruled that the Remedial Order no longer applied to Investments prospectively, and for this reason, Investments would not have to comply with any of the remaining injunctive remedies. In November 2012, the district court entered an order setting forth the text of the corrective statements and directed the parties to engage in discussions with the special master appointed by the district court to implement them. After various proceedings and appeals, the district court in October 2017 ordered RJRT and the other US tobacco company defendants to fund the publication of compelled public statements in various US media outlets, including in newspapers, on television, on the companies' websites, and in onserts on cigarette packaging. The compelled public statements in newspapers and on television were completed in 2018 and in package onserts in mid-2020. The compelled public statements now also appear on RJRT websites. The final issue regarding corrective statements was their display at retail point of sale. On 6 December 2022, the district court entered a consent order requiring the tobacco company defendants to have the compelled public statements posted at retail point of sale. Installation of the statements began in July 2023, and the statements remained in stores through June 2025. The now-concluded corrective statements at retail were the last remaining remedy of the litigation to be implemented.

(b) Class Actions

As at 31 December 2025, (1) RJRT, B&W and Lorillard Tobacco were named as defendants in one action asserting claims on behalf of putative classes of persons allegedly injured or financially impacted by their smoking, (2) one action asserting claims on behalf of putative classes of persons allegedly injured or financially impacted by RJRT's marketing practices, and (3) as detailed in the next paragraph, RJRT, and SFNTC (a subsidiary of RAI) were named in 17 putative class actions relating to the use of the words 'natural', '100 per cent. additive-free' or 'organic' in Natural American Spirit ("NAS") brand advertising and promotional materials. If the classes are or remain certified, separate trials may be needed to assess individual plaintiffs' damages. Among the pending class actions, 16 specified the amount of the claim in the complaint and alleged that the plaintiffs were seeking in excess of US$5 million (£3.7 million) and one alleged that the plaintiffs were seeking less than US$75,000 (£55,760) per class member plus unspecified punitive damages.

No Additive/Natural/Organic Claim Cases

A total of 17 pending putative class actions were filed in nine US federal district courts against RAI, RJRT, and SFNTC, which cases generally allege, in various combinations, violations of state deceptive and unfair trade practice statutes, and claim state common law fraud, negligent misrepresentation, and unjust enrichment based on the use of descriptors such as 'natural', 'organic' and '100 per cent. additive-free' in the marketing, labelling, advertising, and promotion of SFNTC's NAS brand cigarettes. In these actions, the plaintiffs allege that the use of these terms suggests that NAS brand cigarettes are less harmful than other cigarettes and, for that reason, violated state consumer protection statutes or amounted to fraud or a negligent or intentional misrepresentation. The actions seek various categories of recovery, including economic damages, injunctive relief (including medical monitoring and cessation programmes), interest, restitution, disgorgement, treble and punitive damages, and attorneys' fees and costs. In April 2016, the US Judicial Panel on Multidistrict Litigation (JPML) consolidated the 16 cases pending at that time for pre-trial purposes before a federal district court in New Mexico, and a later-filed case was transferred there for pre-trial purposes in 2018. On 21 December 2017, that court granted the defendants' motion to dismiss in part, dismissing a number of claims with prejudice, and denied it in part. The district court conducted a five-day hearing on the motion for class certification and on the motion challenging the admissibility of expert opinion testimony in December 2020. On 1 September 2023, the district court entered an order certifying a subset of the plaintiffs' proposed classes covering purchasers of NAS menthol cigarettes in six states and declining to certify the other proposed classes. The defendants and plaintiffs both appealed from that order to the US Court of Appeals for the Tenth Circuit. Briefing is complete and oral argument occurred on 16 July 2025. A decision is pending.

Other Putative Class Actions

Young v. American Tobacco Co. is a putative class action filed in November 1997 in the Circuit Court, Orleans Parish, Louisiana against various US cigarette manufacturers, including RJRT, B&W, Lorillard Tobacco and certain parent companies. This action was brought on behalf of a putative class of Louisiana residents who, though not themselves cigarette smokers, have been exposed to second-hand smoke from cigarettes manufactured by the defendants, and who allegedly suffered injury as a result of that exposure. The action seeks an unspecified amount of compensatory and punitive damages. In March 2016, the court entered an order staying the case, including all discovery, pending the completion of an ongoing smoking cessation programme ordered by the court in a now-concluded Louisiana state court certified class action, *Scott v. American Tobacco Co*. The stay remains in place.

Engle Class Action and Engle Progeny Cases (Florida)

In July 1998, trial began in *Engle v. R.J. Reynolds Tobacco Co.*, a then-certified class action filed in Circuit Court, Miami-Dade County, Florida, against US cigarette manufacturers, including RJRT, B&W, Lorillard Tobacco and Lorillard Inc. The then-certified class consisted of Florida citizens and residents, and their survivors, who suffered from smoking-related diseases that first manifested between 5 May 1990 and 21 November 1996, and were caused by an addiction to cigarettes. In July 1999, the jury in this Phase I found against RJRT, B&W, Lorillard Tobacco, Lorillard Inc. and the other defendants on common issues relating to the defendants' conduct, general causation, the addictiveness of cigarettes, and entitlement to punitive damages.

In July 2000, the jury in Phase II awarded the class a total of approximately US$145 billion (approximately £107.8 billion) in punitive damages, apportioned US$36.3 billion (£27 billion) to RJRT, US$17.6 billion (£13.1 billion) to B&W, and US$16.3 billion (£12.1 billion) to Lorillard Tobacco and Lorillard Inc. The three class representatives in the *Engle* class action were awarded US$13 million (£9.7 million) in compensatory damages.

This decision was appealed and ultimately resulted in the Florida Supreme Court in December 2006 decertifying the class and allowing judgments entered for only two of the three *Engle* class representatives to stand and setting aside the punitive damages award. The court preserved certain of the jury's Phase I findings, including that cigarettes can cause certain diseases, nicotine is addictive, and defendants placed defective cigarettes on the market, breached duties of care, concealed health-related information and conspired. Putative *Engle* class members were permitted to file individual lawsuits, deemed '*Engle* progeny cases', against the *Engle* defendants, within one year of the Supreme Court's decision (subsequently extended to 11 January 2008).

During 2015, RJRT and Lorillard Tobacco, together with Philip Morris USA Inc. ("PM USA"), settled virtually all of the *Engle* progeny cases then pending against them in federal district court. The total amount of the settlement was US$100 million (approximately £74.3 million) divided as follows: RJRT US$42.5 million (£31.6 million); PM USA US$42.5 million (£31.6 million); and Lorillard Tobacco US$15 million (£11.2 million). The settlement covered more than 400 federal *Engle* progeny cases but did not cover 12 federal progeny cases previously tried to verdict and then pending on post-trial motions or appeal, and two federal progeny cases filed by different lawyers from the ones who negotiated the settlement for the plaintiffs.

As at 31 December 2025, there were approximately 33 *Engle* progeny cases pending in which RJRT, B&W and/or Lorillard Tobacco have all been named as defendants and served. These cases include claims by or on behalf of 50 plaintiffs. The number of pending cases fluctuates for a variety of reasons, including voluntary and involuntary dismissals. Voluntary dismissals include cases in which a plaintiff accepts an 'offer of judgment' from RJRT and/or RJRT's affiliates and indemnitees.

15 trials occurred in *Engle* progeny cases in Florida state courts against RJRT, B&W and/or Lorillard Tobacco from 1 January 2023 through 31 December 2025, and additional state court trials are scheduled for 2026.

The following chart identifies the number of trials in *Engle* progeny cases as at 31 December 2025 and additional information about the adverse judgments entered:

Trials/verdicts/judgments of individual *Engle* progeny cases from 1 January 2023 through 31 December 2025:	
Total number of trials	15
Number of trials resulting in plaintiffs' verdicts	7*
Total damages awarded in final judgments against RJRT	US$58,210,000 (£43.3 million)
Amount of overall damages comprising 'compensatory damages' (approximately)	US$32,462,000 (of overall US$58,210,000) (£24.1 million of £43.3 million)
Amount of overall damages comprising 'punitive damages' (approximately)	US$25,748,000 (of overall US$58,210,000) (£19.1 million of £43.3 million)

Note:

*Of the 7 trials resulting in plaintiffs' verdicts 1 January 2023 to 31 December 2025 (Note 11):

Number of adverse judgments appealed by RJRT (Note 12)	4
Number of adverse judgments, in which RJRT still has time to file an appeal	0
Number of adverse judgments in which an appeal was not, and can no longer be, sought	3

(Note 11) The 15 trials include two cases with two punitive damages retrials, both within the time period and both prior to the time period (*Ledo v R.J. Reynolds Tobacco Co.* and *Spurlock v. R.J. Reynolds Tobacco Co.*).

(Note 12) Of the four adverse verdicts appealed by RJRT as a result of judgments arising in the period from 1 January 2023 to 31 December 2025:

(a) one appeal remains undecided in the District Court of Appeal;

(b) one judgment was affirmed and paid;

(c) one case was reversed and a new trial ordered; and

(d) one case was resolved after the appeal was filed.

By statute, Florida applies a US$200 million (£148.7 million) bond cap to all *Engle* progeny cases in the aggregate. Individual bond caps for any given *Engle* progeny case vary depending on the number of judgments in effect at a given time. Judicial attempts by several plaintiffs in the *Engle* progeny cases to challenge the bond cap as violating the Florida Constitution have failed. In addition, bills have been introduced in sessions of the Florida legislature that would eliminate the *Engle* progeny bond cap, but those bills have not been enacted as at 31 December 2025.

In 2025, RJRT paid judgments in three *Engle* progeny cases. Those payments totalled approximately US$16 million (approximately £11.9 million) in compensatory or punitive damages. Additional costs were paid in respect of attorneys' fees and statutory interest.

In addition, accruals for damages and statutory interests for two pre-trial case resolutions and the remaining amounts of one resolution bundle were recorded in Reynolds American's consolidated balance sheet as at 31 December 2025 to the value of approximately US$4.8 million (approximately £3.6 million).

(c) Individual Cases

As at 31 December 2025, 194 individual cases were pending in the United States against RJRT, B&W and/or Lorillard Tobacco. This category of cases includes smoking and health cases alleging personal injuries caused by tobacco use or exposure brought by or on behalf of individual plaintiffs based on theories of negligence, strict liability in tort, design defect, failure to warn, fraud, misrepresentation, breach of express or implied warranty, violations of state deceptive trade practices or consumer protection statutes, and conspiracy. The plaintiffs seek to recover compensatory damages, attorneys' fees and costs, and punitive damages. The category does not include the *Engle* progeny cases, *Broin* II cases, and Filter Cases discussed above and below. Three of the individual cases are brought by or on behalf of an individual or his/her survivors alleging personal injury as a result of exposure to Environmental Tobacco Smoke ("ETS").

The following chart identifies the number of individual cases pending as at 31 December 2025 as against the number pending as at 31 December 2024, along with the number of *Engle* progeny cases, *Broin* II cases, and Filter Cases, which are discussed further below.

Case Type	US Case Numbers 31 December 2025	US Case Numbers 31 December 2024	Change in Number Increase/(Decrease)
Individual Smoking and Health Cases (Note 13)	194	197	(3)
Engle Progeny Cases (Number of Plaintiffs) (Note 14)	33 (50)	91 (125)	(58) 75
Broin II Cases (Note 15)	1	69	(68)
Filter Cases (Note 16)	31	29	2

(Note 13) Out of the 194 pending individual smoking and health cases, eight have received adverse verdicts or judgments in the court of first instance or on appeal, and the total amount of those verdicts or judgments is approximately US$260 million (approximately £193.3 million), of which US$87 million (£64.7 million) is the result of the jury's verdict in *Penza v. R. J. Reynolds Tobacco Co and* US$89 million (£66.2 million) is the result of the jury's verdict in *Marvin Manious v. R.J. Reynolds Tobacco Co.* In addition, accruals for four individual smoking and health pre-trial case resolutions and three resolution bundles were recorded in RAI's consolidated balance sheet as at 31 December 2025 to the value of approximately US$6.3 million (approximately £4.7 million).

(Note 14) The number of *Engle* progeny cases will fluctuate as cases are dismissed or if any of the dismissed cases are appealed. Please see earlier table above.

(Note 15) *Broin v. Philip Morris, Inc*. was a class action filed in Circuit Court in Miami-Dade County, Florida in 1991 and brought on behalf of flight attendants alleged to have suffered from diseases or ailments caused by exposure to ETS in airplane cabins. In October 1997, RJRT, B&W, Lorillard Tobacco and other cigarette manufacturer defendants settled *Broin*, agreeing to pay a total of US$300 million (£223 million) in three annual US$100 million (£74.3 million) instalments, allocated among the companies by market share, to fund research on the early detection and cure of diseases associated with tobacco smoke. It also required those companies to pay a total of US$49 million (£36.4 million) for the plaintiffs' counsel's fees and expenses. RJRT's portion of these payments was approximately US$86 million (approximately £63.9 million); B&W's was approximately US$57 million (approximately £42.4 million); and Lorillard Tobacco's

was approximately US$31 million (approximately £23 million). The settlement agreement, among other things, limits the types of claims class members may bring and eliminates claims for punitive damages. The settlement agreement also provides that, in individual cases by class members that are referred to as *Broin* II lawsuits, the defendants will bear the burden of proof with respect to whether ETS can cause certain specifically enumerated diseases, referred to as 'general causation'. With respect to all other liability issues, including whether an individual plaintiff's disease was caused by his or her exposure to ETS in airplane cabins, referred to as 'specific causation', individual plaintiffs will bear the burden of proof. On 7 September 1999, the Florida Supreme Court approved the settlement. There have been no *Broin* II trials since 2007. There have been periodic efforts to activate cases and the Group expects this to continue over time. In 2025, RJRT resolved the remaining *Broin* II cases due to inactivity on the files, except for one case which remains pending as of 31 December 2025.

(Note 16) Includes claims brought against Lorillard Tobacco and Lorillard Inc. by individuals who seek damages resulting from their alleged exposure to asbestos fibres that were incorporated into filter material used in one brand of cigarettes manufactured by a predecessor to Lorillard Tobacco for a limited period of time ending more than 60 years ago. Pursuant to a 1952 agreement between P. Lorillard Company and H&V Specialties Co., Inc. (the manufacturer of the filter material), Lorillard Tobacco is required to indemnify Hollingsworth & Vose for legal fees, expenses, judgments and resolutions in cases and claims alleging injury from finished products sold by P. Lorillard Company that contained the filter material. As of 31 December 2025, Lorillard Tobacco and/or Lorillard Inc. was a defendant in 31 Filter Cases. Since 1 January 2023, Lorillard Tobacco and RJRT have paid, or have reached agreement to pay, a total of approximately US$19.1 million (approximately £14.2 million) in settlements to resolve 80 Filter Cases. In addition, an accrual for the resolution of eight of the 80 Filter Cases was recognised as at 31 December 2025 to the value of approximately US$3.3 million (approximately £2.5 million).

(d) State Settlement Agreements

In November 1998, the major US cigarette manufacturers, including RJRT, B&W and Lorillard Tobacco, entered into the MSA with attorneys general representing 46 US states, the District of Columbia and certain US territories and possessions. These cigarette manufacturers had previously settled four other cases, brought on behalf of Mississippi, Florida, Texas and Minnesota, by separate agreements with each state (collectively and with the MSA, the "State Settlement Agreements").

These State Settlement Agreements settled all health care cost recovery actions brought by, or on behalf of, the settling jurisdictions; released the defending major US cigarette manufacturers from various additional present and potential future claims; imposed future payment obligations in perpetuity on RJRT, B&W, Lorillard Tobacco and other major US cigarette manufacturers; and placed significant restrictions on their ability to market and sell cigarettes and smokeless tobacco products. In accordance with the MSA, various tobacco companies agreed to fund a US$5.2 billion (£3.9 billion) trust fund to be used to address the possible adverse economic impact of the MSA on tobacco growers.

RJRT and SFNTC are subject to substantial payment obligations under the State Settlement Agreements. Payments under the State Settlement Agreements are subject to various adjustments for, among other things, the volume of cigarettes sold, relative market share, operating profit, net operating profit ("NOP") and inflation. RAI's operating subsidiaries' expenses and payments under the State Settlement Agreements for 2023, 2024 and 2025 and the projected expenses and payments for 2026 and onwards are set forth below (in millions of US dollars)*:

	2023	2024	2025	2026	2027 and thereafter
Settlement expenses	$2,516	$2,160	$2,037		
Settlement cash payments	$2,874	$2,535	$2,140		

	2023	2024	2025	2026	2027 and thereafter
Projected settlement expenses.....				>[$2,000]	>[$2,000]
Projected settlement cash payments ..				>[$2,000]	>[$2,000]

Note:

* Subject to adjustments for changes in sales volume, operating profit, NOP, inflation and other factors. Payments are allocated among the settling companies on the basis of relative market share or other methods.

The State Settlement Agreements have materially adversely affected RJRT's shipment volumes. RAI believes that these settlement obligations may materially adversely affect the results of operations, cash flows or financial position of RAI and RJRT in future periods. The degree of the adverse impact will depend, among other things, on the rate of decline in US cigarette sales in the premium and value categories, RJRT's share of the domestic premium and value cigarette categories, and the effect of any resulting cost advantage of manufacturers not subject to the State Settlement Agreements.

In addition, the MSA includes an adjustment that potentially reduces the annual payment obligations of RJRT, Lorillard Tobacco and the other signatories to the MSA, known as 'Participating Manufacturers' ("PMs"). Certain requirements, collectively referred to as the 'Adjustment Requirements', must be satisfied before the adjustment for a given year is available: (i) an independent auditor must determine that the PMs have experienced a market share loss, beyond a triggering threshold, to those manufacturers that do not participate in the MSA (such non-participating manufacturers being referred to as "NPMs"); and (ii) in a binding arbitration proceeding, a firm of independent economic consultants must find that the disadvantages of the MSA were a significant factor contributing to the loss of market share. This finding is known as a significant factor determination, and the adjustment is referred to as the "NPM Adjustment".

When the Adjustment Requirements are satisfied, the MSA provides that the NPM Adjustment applies to reduce the annual payment obligation of the PMs. However, an individual settling state may avoid its share of the NPM Adjustment if it had in place and diligently enforced during the entirety of the relevant year a 'Qualifying Statute' that imposes escrow obligations on NPMs that are comparable to what the NPMs would have owed if they had joined the MSA. In such event, the state's share of the NPM Adjustment is reallocated to other settling states, if any, that did not have in place and diligently enforce a Qualifying Statute.

RJRT, Lorillard Tobacco and SFNTC are or were involved in the NPM Adjustment proceedings concerning the years 2003 to 2025. In 2012, RJRT, Lorillard Tobacco, and SFNTC entered into an agreement (the "Term Sheet") with certain settling states that resolved accrued and future NPM Adjustments. Since that time, additional states have joined the NPM Adjustment Settlement Agreement (which incorporates the Term Sheet). In 2015, an additional state, New York, entered a separate settlement of the NPM Adjustment dispute covering the years 2004 to 2014 and setting forth a procedure for calculating RJRT payment credits based on the number of NPM packs sold on or through a Native American reservation in New York for 2015 onwards. In 2020, an additional state, Montana, entered a separate settlement of the NPM Adjustment dispute covering the years 2005 to 2030. In 2024, an additional state, Massachusetts, entered a separate settlement of the NPM Adjustment dispute covering the years 2005 to 2011. In 2025, an additional state, Washington, entered a separate agreement of the NPM Adjustment dispute with RJRT and certain Subsequent Participating Manufacturers ("SPMs") covering the years 2005 to 2023.

Arbitration panels ruled in September 2021 and September 2022 that Missouri and New Mexico, respectively, had not diligently enforced their respective Qualifying Statutes in the year 2004. In September 2021 and December 2023, arbitration panels ruled that Washington had also not diligently enforced its Qualifying Statute in the years 2004 through 2007.

After a motion by Missouri to vacate the 2004 NPM Adjustment arbitration panel's award in November 2021, which was denied by the Missouri Circuit Court in 2024, the 2004 NPM Adjustment award was confirmed on 14 January 2025. Missouri filed a notice of appeal, but the Missouri Court of Appeals affirmed the order denying Missouri's motion to vacate the 2004 award in September 2025. An application for transfer to the Supreme Court of Missouri was denied in November 2025. This matter is now closed.

On 30 August 2023, the New Mexico District Court vacated the arbitration panel's decision with respect to New Mexico and an appeal was filed by the PMs in September 2023. On 15 January 2026, the New Mexico Court of Appeals reversed the lower court's order and reinstated the award finding New Mexico non-diligent in 2004.

On 28 March 2024, Washington filed a motion to vacate the arbitration panel's award determining it was non-diligent in 2005, 2006, and 2007. Following a series of filings by RJRT and the state, on 7 April 2025, the state, RJRT and certain other SPMs settled the NPM Adjustment dispute for 2005 through 2023. Pursuant to such settlement, Washington agreed to dismiss its appeal as to RJRT and those other settling SPMs. On 2 May 2025, Washington, RJRT, and the settling SPMs filed a joint motion to dismiss the appeal, which was granted on 27 May 2025. PM USA objected to the settlement, but the independent auditor implemented the settlement in April 2025. On 21 April 2025, PM USA served on RJRT an arbitration demand seeking to arbitrate the validity of the settlement. On 4 June 2025, RJRT and the settling SPMs filed a complaint in Washington's MSA court requesting a declaration that PM USA's arbitration demand is invalid and fails to raise an arbitrable dispute. On 24 June 2025, PM USA filed a motion to compel arbitration and to dismiss the complaint. The motion to compel arbitration was granted in September 2025 against RJRT's filed opposition. The case has been stayed pending arbitration. On 12 September 2025, RJRT and the SPMs served on PM USA an arbitration demand alleging PM USA had breached the 2017 NPM Adjustment Settlement Agreement by interfering with RJRT's and the SPMs' separate resolution of their individual NPM Adjustment disputes with Washington, RJRT and PM USA filed arbitration demands, which were later consolidated, with Judicial Arbitration and Mediation Services, Inc. ("JAMS") on 6 October 2025 and 7 October 2025, respectively. The parties are in the process of selecting arbitrators. On 30 October 2025, Washington and PM USA settled the NPM Adjustment dispute for 2005 through 2015. NPM proceedings are ongoing and could result in further reductions of the companies' MSA-related payments.

On 22 March 2024, New Mexico filed a complaint with the New Mexico District Court seeking a declaratory judgment interpreting the term "diligently enforce" as used in the MSA. RJRT filed a motion to compel arbitration and to dismiss the complaint on 19 April 2024. On 23 September 2024, the New Mexico District Court granted RJRT's motion to compel arbitration and dismissed the complaint from the bench. The New Mexico District Court issued an order to that effect on 13 November 2024. New Mexico filed a notice of appeal on 9 December 2024. Briefing is complete and the appeal is pending.

On 23 February 2024, PM USA sent New Mexico a 30-day notice of intent to initiate a proceeding against New Mexico, giving notice that it intends to bring an action in the New Mexico District Court seeking an enforcement order compelling New Mexico to participate in a proceeding before a firm to resolve a dispute over whether New Mexico's statutes requiring escrow deposits on certain cigarettes sold in New Mexico constitute a Qualifying Statute pursuant to the MSA.

Currently there are four proceedings in four jurisdictions (Delaware, New Mexico, Texas and Minnesota) under or in connection with the State Settlement Agreements (other than the ones described above).

On 18 January 2017, the State of Florida sought an order declaring that RJRT and Imperial Tobacco Group, PLC ("ITG"), a wholly owned subsidiary of Imperial Brands plc that was later joined into the enforcement action, are in breach of the Florida State Settlement Agreement and are required, jointly and severally, to pay approximately US$45 million (approximately £33.5 million) and make annual payments to the state under the Florida State Settlement Agreement with respect to the four brands (Winston, Salem, Kool and Maverick) that were sold to ITG in the divestiture of certain assets, on 12 June 2015, by

subsidiaries or affiliates of RAI and Lorillard (the “Divestiture”), referred to as the ‘Acquired Brands’. The motion also claimed future annual losses of approximately US$30 million per year (approximately £22.3 million) absent the court’s enforcement of the Florida State Settlement Agreement.

On 27 December 2017 the court entered an order holding RJRT (not ITG) liable for annual settlement payments for the Acquired Brands, finding that ITG did not assume liability for annual settlement payments related to the Acquired Brands under the terms of the asset purchase agreement relating to the Divestiture. On 15 August 2018, the court entered a final judgment in the action (the “Final Judgment”). On 29 July 2020, Florida’s Fourth District Court of Appeal affirmed the Final Judgment on appeal. RJRT’s motion for rehearing or certification and its motion for review were denied by the Florida Supreme Court in September 2020 and December 2020, respectively. On 5 October 2020, RJRT satisfied the Final Judgment (approximately US$193 million (approximately £143.4 million)) and paid approximately US$3.2 million (approximately £2.4 million) of Florida’s attorneys’ fees. As explained below, RJRT has secured an order in the Delaware action requiring ITG to indemnify it for amounts paid under the Final Judgment.

In February 2017, ITG filed an action in the Delaware Court of Chancery seeking declaratory relief against RAI and RJRT on various matters related to its rights and obligations under the asset purchase agreement (and related documents) relating to the Divestiture with respect to the subject of the Florida enforcement litigation described above. RAI and RJRT filed counterclaims on the same issues. Following summary judgments in September 2022 and October 2023, the court entered an implementing order on 15 November 2023 providing that ITG shall indemnify RAI and RJRT for every settlement payment that they make in the future to Florida under the Final Judgment in the Florida litigation, based on ITG’s sales of Acquired Brands cigarettes, with the question of whether the indemnification obligation should be reduced to account for how NOP adjustment (“NOP Adjustment”) payments would have been allocated if ITG had joined the Florida State Settlement Agreement to be deferred to trial. Following a trial in 2024, the judge entered an order in March 2025 and a final order and judgment in April 2025 awarding RAI and RJRT approximately US$370 million (£275.1 million) against ITG for prior settlement payments with interest. ITG appealed this decision. On 15 December 2025, the Delaware Supreme Court affirmed the judgment of the Court of Chancery. On 31 December 2025, the Delaware Supreme Court issued a mandate closing the case. Effective 30 January 2026, ITG, RAI and RJRT entered into a confidential Delaware Judgment Settlement Agreement. PM USA previously moved to intervene in the case to assert that RAI, RJRT and/or ITG were unjustly enriched by the Florida settlement payments borne by PM USA. The court denied PM USA’s motion to intervene as untimely. PM USA had appealed but then voluntarily dismissed its appeal. This matter is now closed.

On 4 February 2026, PM USA brought an action against RAI and RJRT in the Court of Chancery of the State of Delaware alleging unjust enrichment arising from the Delaware rulings in favour of the companies against ITG. PM USA claims RAI avoided certain settlement payments in Florida because ITG did not join the Florida settlement. PM USA claims these savings were at its expense and seeks restitution and damages for the alleged unjust enrichment in an amount to be determined by the court, interest, and attorneys’ fees and costs.

On 3 December 2019, the State of Mississippi filed a notice of violation and motion to enforce the Mississippi State Settlement Agreement in the Chancery Court of Jackson County, Mississippi against RJRT, PM USA and ITG, seeking a declaration that the base year 1997 NOP to be used in calculating the NOP Adjustment was not affected by the change in the federal corporate tax rate in 2018 from 35 per cent. to 21 per cent. (the “Tax Rate Change”), and an order requiring RJRT to pay the approximately US$5 million (approximately £3.7 million) difference in its 2018 payment because of this issue. Determination of the issue of the Tax Rate Change may affect RJRT’s annual payment thereafter. On 10 June 2022, the Mississippi Chancery Court granted the State’s motion to enforce, ruling for the State and denying RJRT’s appeal. Following a hearing on damages, including interest and attorneys’ fees, on 13 February 2024, the Chancery Court awarded the State attorneys’ fees of approximately US$1.3 million (approximately £1

million). On 7 May 2024, the court entered a final judgment awarding the State compensatory damages of approximately US$23.5 million (approximately £17.5 million) plus 8 per cent. prejudgment interest, and approximately US$1 million (approximately £743,467) in additional attorneys' fees against RJRT. In June 2024, the State and RJRT filed notices of appeal. PM USA also filed an appeal, which was dismissed (along with the State's appeal as it related to PM USA) following a settlement between those parties in October 2024. On 19 August 2025, RJRT and the State entered into a settlement. On 27 August 2025, the Mississippi Supreme Court dismissed RJRT's appeal and the State's appeal. This matter is now closed.

On 29 November 2022, the State of New Mexico filed a complaint or, in the alternative, a motion to enforce its uniform consent decree entered in connection with the MSA against the PMs asserting, among other things, claims for breach of contract and violations of New Mexico's Unfair Practices Act. New Mexico seeks compensatory damages in an amount to be determined at trial, as well as treble damages, punitive damages, and declaratory and injunctive relief. On 10 February 2023, the PMs filed a motion to compel arbitration or, in the alternative, motion to dismiss New Mexico's complaint and alternative motion to enforce. On 29 December 2023, the New Mexico District Court granted the PMs' motion to compel arbitration. On 29 January 2024, New Mexico filed a notice of appeal. Briefing is complete and the appeal is pending. On 29 March 2024, RJRT filed a motion to dismiss New Mexico's appeal. RJRT's motion to dismiss is held in abeyance pending submission of the appeal to a panel of judges.

On 2 March 2023, the State of Texas issued a demand letter to RJRT, PM USA and ITG, pursuant to the Texas State Settlement Agreement, for underpaid sums owed to Texas for the years 2019 through 2022 and a change in the calculation going forward, asserting that RJRT, PM USA and ITG issued payments to Texas that were based on unauthorised changes to the base year 1997 NOP by incorporating into their calculations the Tax Rate Change. The parties filed cross-motions and, on 15 March 2024, the court granted the State's cross-motion to enforce and denied the motion to enforce filed by PM USA and RJRT. On 28 March 2025, the court ordered the parties to comply with calculations requiring RJRT to pay to Texas approximately US$104 million (£77.3 million), plus pre-judgment interest from 30 April 2019 through 14 March 2024, and post-judgment interest from 15 March 2024 until payment. On 25 April 2025, each of RJRT and PM USA filed a notice of appeal with the Fifth Circuit Court of Appeals. Briefing is complete and the appeal is pending.

On 2 July 2024, the State of Minnesota filed a motion to enforce the Minnesota State Settlement Agreement on the basis that the NOP Adjustment due to Minnesota for the years 2018 and after be based on the value fixed in the Mississippi decision that found the base year 1997 NOP to be used in calculating the NOP Adjustment was not affected by the Tax Rate Change, which motion was granted on 9 December 2024. The Minnesota court requested the parties meet and confer on the issue of damages, interest, and civil penalties including attorneys' fees and directed that, within 30 days, the independent accounting firm retained by the parties to calculate the settlement payments, PricewaterhouseCoopers LLC, shall calculate all future Minnesota NOP Adjustments using US$3,115.1 million (approximately £2,316 million) as the base NOP. After the parties informed the court that they had not resolved all remaining issues within the prescribed time frame, the court directed the parties to mediation of the remaining issues.

RJRT and PM USA mediated on 10 April 2025 but did not reach a resolution of their dispute over allocation of the damages between them for 2018 and 2019. RJRT and PM USA each filed motions regarding the allocation of damages on 17 June 2025. After a hearing in October 2025, the court granted PM USA's motion related to the allocation of payments and ordered that ITG Brands, LLC be included in the recalculation of payments from 2018 going forward. On 5 January 2026, the district court issued the judgment against RJRT and PM USA. On 6 January 2026, the district court entered a Notice of Entry of Judgment against RJRT for US$71.1 million (approximately £52.9 million). RJRT intends to appeal.

Tobacco-Related Litigation Outside the US

As at 31 December 2025:

(i) medical reimbursement actions are being brought in Angola, Brazil, Nigeria and South Korea;

(ii) class actions are being brought in Canada and Venezuela; and

(iii) active tobacco product liability claims against the Group's companies existed in 11 markets outside the US. The only markets with five or more claims were Argentina, Brazil, Chile and Italy.

(a) Medical reimbursement cases

Angola

In November 2016, BAT Angola affiliate Sociedade Unificada de Tabacos de Angola ("SUT") was served with a collective action filed in the Provincial Court of Luanda, 2nd Civil Section, by the consumer association Associação Angolana dos Direitos do Consumidor ("AADIC"). The lawsuit seeks damages of AOA800 million (approximately £644,369) allegedly incurred by the Angolan Instituto Nacional do Controlo do Cancro ("INCC") for the cost of treating tobacco-related disease, non-material damages allegedly suffered by certain individual smokers on the rolls of INCC, and the mandating of certain cigarette package warnings. SUT filed its answer to the claim on 5 December 2016. The case remains pending.

Canada

In Canada, following the implementation of legislation enabling provincial governments to recover healthcare costs directly from tobacco manufacturers, a separate action for recovery of healthcare costs arising from the treatment of smoking and health-related diseases was commenced in each of the ten provinces (the "Provincial Actions"). Damages were not quantified by all ten provinces; however, the industry-wide damages claimed in certain of the Provincial Actions ranged between CAD$10 billion (£5.4 billion) and CAD$118 billion (£64 billion), and the province of Ontario delivered expert reports quantifying its damages in the range of CAD$280 billion (£151.9 billion) and CAD$630 billion (£341.7 billion) in 2016/2017 dollars plus an additional CAD$9.4 billion (£5.1 billion) and CAD$10.9 billion (£5.9 billion) in damages in respect of environmental tobacco smoke, with the province's amended statement of claim seeking damages of CAD$330 billion (£179 billion). In addition to the actions commenced by the provincial governments, numerous class actions against Group companies were launched (see below).

Following a judgment by the Québec Court of Appeal in March 2019 in the Québec class actions, JTI-MacDonald Corp ((("JTIM") a subsidiary of Japan Tobacco International ("JTI") and a co-defendant in the cases), Imperial Tobacco Canada Limited ("Imperial") and Imperial Tobacco Company Limited (together with Imperial, "ITCAN") and Rothmans, Benson & Hedges Inc. (("RBH") a subsidiary of Philip Morris International Inc. and a co-defendant in the cases) each filed for creditor protection under the CCAA, and court ordered stays (the "Stays") of all tobacco litigation in Canada against all defendants (including all Group companies that were defendants in the Canadian tobacco litigation, including (i) ITCAN, British American Tobacco p.l.c., British American Tobacco (Investments) Limited, B.A.T. Industries p.l.c. and Carreras Rothmans Limited) and (ii) RJRT and R.J. Reynolds Tobacco International Inc. (which RJR Companies, pursuant to the terms of the 1999 sale of RJRT's international tobacco business to JTI, benefit from an indemnification by JTI for all liabilities and obligations (including litigation costs) arising in respect of the Canadian recoupment actions and on behalf of which RJR Companies, subject to a reservation of rights, JTI had assumed the defence in these actions).

Following (i) the filing of proposed plans of compromise (collectively, the "Proposed Plans") by the court-appointed mediators and monitors for each of ITCAN, RBH and JTIM in the Ontario Superior Court of Justice (the "Court") in October 2024, (ii) subsequent amendments, (iii) creditor approval in December 2024 and (iv) a sanction hearing in January 2025, the Court ultimately issued an order on 6 March 2025 finding each of the Proposed Plans fair, reasonable, and in the public interest, and sanctioned the Proposed Plans (hereinafter referred to as the "Approved Plans"). The Approved Plans were implemented on 29 August 2025, as a result of which all outstanding tobacco litigation in Canada against the defendants

has been resolved and all relevant Group companies have been provided releases in full for all historical tobacco-related claims in Canada.

On implementation, each of ITCAN, RBH and JTIM was required to pay into the settlement fund cash and cash equivalents on hand (including investments held at fair value) (other than, in the case of RBH, a holdback amount) plus certain court deposits. If any cash refunds are later received on account of these upfront payments, 85 per cent. of these refund amounts will also be payable towards the settlement. Going forward, each of ITCAN, RBH and JTIM will also be required to make annual payments based on a percentage (initially 85 per cent., reducing over time to 70 per cent.) of net income after tax based on amounts generated from all sources, excluding New Categories, until they settle the liability (CAD$32.5 billion (approximately £17.6 billion)) in full. The performance of ITCAN's New Categories (including vapour products and nicotine pouches) is not included in the basis for calculating the annual payments. The Group has recognised a provision to reflect management's best estimate of ITCAN's total payment obligations under the Approved Plans (see above).

Nigeria

British American Tobacco (Nigeria) Limited ("BAT Nigeria"), BAT and Investments have been named as defendants in a medical reimbursement action by the federal government of Nigeria, filed on 6 November 2007 in the Federal High Court, and in similar actions filed by the Nigerian states of Kano (9 May 2007), Oyo (30 May 2007), Lagos (13 March 2008), Ogun (26 February 2008), and Gombe (17 October 2008) commenced in their respective High Courts. In the five cases that remain active, the plaintiffs seek a total of approximately NGN10.6 trillion (approximately £5.4 billion) in damages, including special, anticipatory and punitive damages, restitution and disgorgement of profits, as well as declaratory and injunctive relief.

The suits claim that the state and federal government plaintiffs incurred costs related to the treatment of smoking-related illnesses resulting from allegedly tortious conduct by the defendants in the manufacture, marketing, and sale of tobacco products in Nigeria, and assert that the plaintiffs are entitled to reimbursement for such costs. The plaintiffs assert causes of action for negligence, negligent design, fraud and deceit, fraudulent concealment, breach of express and implied warranty, public nuisance, conspiracy, strict liability, indemnity, restitution, unjust enrichment, voluntary assumption of a special undertaking, and performance of another's duty to the public.

BAT and Investments have made a number of challenges to the jurisdiction of the Nigerian courts. Such challenges are still pending (on appeal) against the federal government and the states of Kano, Gombe and Ogun. These cases are stayed or adjourned pending the final outcome of these jurisdictional challenges. In the Lagos action, the Nigerian Supreme Court denied BAT's appeal on 25 November 2025 and the case will be remanded to the trial court. Investments' appeal in the Lagos action remains pending. In the state of Oyo, on 13 November 2015, and 24 February 2017, respectively, BAT's and Investments' jurisdictional challenges were successful in the Court of Appeal and the issuance of the writ of summons was set aside.

South Korea

In April 2014, Korea's National Health Insurance Service ("NHIS") filed a healthcare recoupment action against KT&G (a Korean tobacco company), PM Korea and BAT Korea (including BAT Korea Manufacturing). The NHIS is seeking damages of roughly KRW54 billion (approximately £27.9 million, exclusive of interest) in respect of health care costs allegedly incurred by the NHIS treating patients with lung (small cell and squamous cell) and laryngeal (squamous cell) cancer between 2003 and 2012. Court hearings in the case, which constitute the trial, commenced in September 2014. On 20 November 2020, the court issued a judgment in favour of the defendants and dismissing all of the plaintiff's claims. The NHIS filed an appeal of the judgment on 11 December 2020. Appellate proceedings commenced in June 2021. On 15 January 2026, the Seoul High Court dismissed the NHIS's appeal and fully upheld the first instance judgment, dismissing all claims against all defendants. The NHIS has indicated that it intends to

appeal to the Korean Supreme Court. On 3 February 2026, the NHIS filed a notice of appeal of the Seoul High Court's ruling to the Supreme Court of Korea.

Brazil

On 21 May 2019, the Federal Attorney's Office ("AGU") in Brazil filed an action in the Federal Court of Rio Grande do Sul against BAT, the BAT Group's Brazilian subsidiary Souza Cruz LTDA ("Souza Cruz"), PMI, Philip Morris Brazil Indústria e Comércio LTDA and Philip Morris Brasil S/A (collectively, "PMB"), asserting claims for medical reimbursement for funds allegedly expended by the federal government as public health care expenses to treat 26 tobacco-related diseases over the last five years from the filing date and that will be expended in perpetuity during future years, including diseases allegedly caused both by cigarette smoking and exposure to ETS. The action includes a claim for moral damages allegedly suffered by Brazilian society to be paid into a public welfare fund. The action is for an unspecified amount of monetary compensation, as the AGU seeks a bifurcated action in which liability would be determined in the first phase followed by an evidentiary phase to ascertain damages.

Following proceedings in 2019 and 2020 in both the trial and appellate courts challenging the issue of service on BAT, the court ruled that service of BAT via its Brazilian subsidiary Souza Cruz constituted proper service, and ordered that defences be filed. BAT and Souza Cruz (which was served with the complaint on 7 August 2019) filed their respective defences on 12 May 2020.

The court permitted the Associação de Controle do Tabagismo, Promoção da Saúde ("ACT"), a Brazilian non-governmental organisation, and the Fundação Oswaldo Cruz ("FIOCRUZ"), a research and development arm of the Brazilian Ministry of Health, to intervene in the case as *amicus curiae* (on 13 May 2022 and 24 March 2025, respectively), over the objections of Souza Cruz, PMB and BAT, limiting ACT and FIOCRUZ's rights as amicus curiae to presenting technical and scientific opinions and participating in court hearings. The AGU submitted its reply to the defences on 5 July 2022, and Souza Cruz, BAT and PMB submitted responses to the AGU's reply on 26 August 2022. On 30 May 2015, FIOCRUZ submitted its statement as amicus curiae. On 19 May 2020, notice was sent to the Public Prosecutor's Office ("MPF") regarding the AGU's request that the MPF join the action as a plaintiff. The MPF, via its response filed on 10 July 2020, declined to join the action as party, but will act as an 'inspector of the law', which enables MPF to express its opinion on case matters. On 10 October 2022, the MPF submitted an opinion on preliminary issues and evidence, which called for rejection of the defendants' preliminary defences and the majority of the evidence requested by AGU and defendants. The defendants, including BAT and Souza Cruz, have filed responses to the MPF's opinion.

On 24 March 2025, the court issued a preliminary decision on preliminary matters and evidence. The analysis of all preliminary matters raised by the defendants was postponed to the final ruling, all the evidence requested by the parties was rejected. Souza Cruz and PMB filed, on 9 April 2025 and 10 April 2025, respectively, motions for clarification of or adjustment to the preliminary decision, to which the AGU responded on 30 May 2025. The motions remain pending.

(b) Class Actions

Canada

As described above, all Canadian tobacco litigation has been resolved and all relevant Group companies have been provided release in full for all tobacco-related claims in Canada following implementation of the Approved Plans.

This includes resolution of the 11 class actions brought in Canada against Group companies for a variety of claims, including deceptive marketing of light and mild cigarettes, failure to pay the agreed domestic contract price to tobacco growers used in products manufactured for the export market and which were ultimately smuggled back into Canada, and smoking and health-related claims, including claims based on fraud, fraudulent concealment, breach of warranty of merchantability, and of fitness for a particular

purpose, failure to warn, design defects, negligence, breach of a 'special duty' to children and adolescents, conspiracy, concert of action, unjust enrichment, market share liability and violations of various trade practices and competition statutes. Damages sought were not quantified in most cases; however in respect of the two class actions in Québec, the amount of the judgment was CAD$13.7 billion (£7.4 billion), of which CAD$9.2 billion (£5 billion) was ITCAN's share and the amount sought in the tobacco growers class action was CAD$50 million (£27.1 million).

A proposed national class action was filed in the British Columbia Supreme Court by Danver Bauman (via his litigation guardian) on 21 December 2023 against Imperial Tobacco Company Ltd., Imperial, and Nicoventures Trading Limited ("Nicoventures") alleging numerous statutory and common law causes of action in connection with the design, marketing and sale of 'Zonnic'. The action was issued in violation of the Stays and has not been validly served. Thereafter, on 26 September 2025, the plaintiffs' firm that had attempted to commence the Bauman action issued a nearly duplicative class proceeding with a new representative plaintiff, Daniel Maynard. The Maynard action seeks certification of a national class of Canadian consumers who purchased Zonnic for "primarily personal, family or household use", and alleges that the defendants engaged in "deceptive and misleading design, regulatory approval, labelling, advertising, marketing, promotion, distribution, and sale" of its Zonnic products. The plaintiffs seek an unspecified quantum of damages for unjust enrichment, common law breaches (including failure to warn and negligence), and breaches of various provincial and federal statutes related to advertising and promotion, as well as punitive damages. The supporting certification record has not yet been delivered by the plaintiffs, such that the action has not progressed.

Venezuela

In April 2008, the Venezuelan Federation of Associations of Users and Consumers (FEVACU) and Wolfang Cardozo Espinel and Giorgio Di Muro Di Nunno, acting as individuals, filed a class action against the Venezuelan government. The class action seeks regulatory controls on tobacco and recovery of medical expenses for future expenses of treating smoking-related illnesses in Venezuela. Both C.A Cigarrera Bigott Sucs. (Cigarrera Bigott), a Group subsidiary, and ASUELECTRIC, represented by its president Giorgio Di Muro Di Nunno (who had previously filed as an individual), have been admitted as third parties by the Constitutional Chamber of the Supreme Court of Justice. A hearing date for the action is yet to be scheduled. On 25 April 2017 and on 23 January 2018, Cigarrera Bigott requested the court to declare the lapsing of the class action due to no proceedings taking place in the case in over a year. A ruling on the matter is yet to be issued.

(c) Individual Tobacco-Related Personal Injury Claims

As at 31 December 2025, the jurisdictions with the most active individual cases against Group companies were, in descending order: Chile (20), Brazil (seven), Italy (five), Argentina (five), Ireland (two) and Türkiye (two). There was a further jurisdiction with one active case only. Out of these 42 active individual cases, as at 31 December 2025 there were two cases in Argentina that have resulted in pending unfavourable judgments. In one case, damages were awarded totalling ARS685,976 (approximately £351) in compensatory damages and ARS2,500,000 (approximately £1,280) in punitive damages, plus post-judgment interest. This judgment was reversed via an appellate court ruling issued on 19 September 2023. The plaintiff's petition for leave to appeal to the Argentina Supreme Court was denied on 29 November 2023. The plaintiff filed an extraordinary appeal to the Argentina Supreme Court on 7 December 2023, which appeal remains pending. In the other case, compensatory damages were awarded totalling ARS2,850,000 (approximately £1,460), with post-judgment interest totalling approximately ARS338,089,193 (approximately £173,165). This judgment is currently on appeal. In addition, on 25 August 2023, an adverse written judgment was served in an individual action in Türkiye awarding TRY10,000 (approximately £173) in compensatory damages against British American Tobacco Tütün Mam. San. ve Tic. A.Ş ("BAT Türkiye") and Philip Morris Sabancı Pazarlama ve Satış A.Ş., now known as Philip Morris Pazarlama ve Satış A.Ş. ("PMP"). The judgment was reversed against BAT Türkiye via an

appellate court ruling served on 7 January 2025, on the basis that BAT Türkiye does not have standing to be sued. The judgment was upheld against PMP, with the amount of the award increased to TRY500,000 (approximately £8,652). PMP has appealed the judgment against it, and the plaintiff has appealed both rulings. The appeals remain pending.

Croatian Distributor Dispute

BAT Hrvatska d.o.o u likvidaciji and British American Tobacco Investments (Central and Eastern Europe) Limited are named as defendants in a claim by Mr Perica received on 22 August 2017 and brought before the commercial court of Zagreb, Croatia. Mr Perica seeks damages of HRK408 million (€54.1 million/£47.2 million) relating to a BAT Standard Distribution Agreement dating from 2005. BAT Hrvatska d.o.o and British American Tobacco Investments (Central and Eastern Europe) Ltd filed a reply to the statement of claim on 6 October 2017. A hearing had been scheduled to take place on 10 May 2018, but it was postponed due to a change of the judge hearing the case. The Commercial Court in Zagreb declared they do not have jurisdiction and that the competent court to hear this case is the Municipal Court in Zagreb. TDR d.o.o. is also named as the defendant in a claim by Mr Perica received on 30 April 2018 and brought before the commercial court of Zagreb, Croatia. Mr. Perica seeks payment in the amount of HRK408 million (€54.1 million/£47.2 million) claiming that BAT Hrvatska d.o.o. transferred a business unit to TDR d.o.o, thus giving rise to a liability of TDR d.o.o. for the debts incurred by BAT Hrvatska d.o.o, on the basis of the provisions of Croatian civil obligations law. A response to the statement of claim was filed on 30 May 2018. The Commercial Court in Zagreb declared they do not have jurisdiction and that the competent court to hear this case is the Municipal Court in Pula. Mr Perica filed an appeal against this decision which was rejected by the High Commercial Court of The Republic of Croatia confirming therewith that the competent court to hear this case is the Municipal Court in Pula. The Municipal Court in Zagreb decided that the claims by Mr Perica initiated on 22 August 2017 and 30 April 2018 shall be heard as one case in front of the Municipal Court of Zagreb. After the two hearings were held, the Municipal Court of Zagreb appointed the court financial and auditing appraisal to determine the value of Mr Perica's claim, which it determined in the amount of €15,850,579 (£13.8 million). BAT Hrvatska d.o.o, British American Tobacco Investments (Central and Eastern Europe) Ltd and TDR d.o.o, are able to challenge this valuation as part of the legal proceedings.

Florence Proceedings

British American Tobacco Italia SpA has been charged with administrative offences in Florence, Italy in a case against a large number of individual and corporate defendants. This relates to potential allegations of failure to supervise or take appropriate steps to prevent alleged corruption by two (now former) employees. The charges were dismissed at the preliminary hearing, concluded in December 2024, along with the charges against all other defendants. The prosecutor has filed an appeal against the decision relating to British American Tobacco Italia SpA and some of the other defendants. The appeal has not yet been scheduled.

Patents and Trade Mark Litigation

Certain Group companies are party to a number of patent litigation cases and procedural challenges concerning the validity of patents owned by or licensed to them and/or the alleged infringement of third parties' patents.

1. On 20 September 2023, Healthier Choices Management Corp. ("HCMC") commenced proceedings against RJR Vapor before the US District Court for the Middle District of North Carolina against the vapour product Vuse Alto alleging infringement of US Patent 9,538,788. On 17 November 2023, RJR Vapor filed a motion to dismiss the action in its entirety. On 18 September 2024, RJR Vapor filed an inter partes review ("IPR") challenging the patentability of the '788 patent' before the US Patent Trial and Appeal Board ("PTAB"). On 27 November 2024, the court granted RJR Vapor's motion to stay the litigation pending the PTAB's institution decision in the IPR. On 12 March 2025, the PTAB instituted an IPR of the '788 patent'. A final written decision on the IPR is expected in March 2026.

2. On 28 May 2020, Altria Client Services LLC ("Altria") and US Smokeless Tobacco Company LLC commenced proceedings against RJR Vapor before the US District Court for the Middle District of North Carolina against the vapour products Vuse Vibe and Vuse Alto, and the tin used in the Modern Oral product Velo. Nine patents in total were asserted: two against Vibe, four against Alto and three against Velo. On 5 January 2021, Altria filed an Amended Complaint adding Modoral Brands Inc. as a defendant with respect to the Velo product claims. A claim construction hearing was held on 28 April 2021, and the court issued its claim construction ruling on 12 May 2021. All asserted patent claims against Vibe and Velo as well as one of the four patents asserted against Alto were dropped prior to trial, leaving three patents asserted against Alto for trial. Trial was held from 29 August 2022 to 7 September 2022. The jury found infringement by all accused products and awarded approximately US$95 million (approximately £70.6 million) in damages. On 27 January 2023, the court rejected Altria's request to double the jury's awarded royalty rate for post-trial sales and set the royalty rate applicable to post-trial sales to the jury's awarded rate of 5.25 per cent. Altria did not request entry of an injunction and has stipulated it will not enforce the monetary judgment until all appeals are exhausted, including RJR Vapor's pending motion for relief from judgment. On 10 February 2023, RJR Vapor noticed its appeal to the United States Court of Appeals for the Federal Circuit. On 19 December 2024, the Federal Circuit affirmed the lower court's judgment. RJR Vapor filed a request for rehearing with the Federal Circuit on 4 February 2025. The request for rehearing was denied on 4 March 2025. On 7 August 2025, RJR Vapor filed a petition for certiorari with the United States Supreme Court. The Supreme Court issued an order denying the petition for certiorari on 6 October 2025. On 3 July 2024, RJR Vapor moved for relief from judgment and the ongoing royalty order due to RJR Vapor's obtaining a sublicense to Altria's patents on 13 December 2023. The judge denied that motion as to royalties prior to RJR Vapor's obtaining the sublicense, and RJR Vapor's appeal of that ruling is currently held in abeyance at the United States Court of Appeals for the Federal Circuit. RJR Vapor's motion to vacate ongoing royalties after it obtained the sublicense remains pending, and an evidentiary hearing is likely to be held in the first half of 2026 in the district court.

Mozambican IP Litigation

On 19 April 2017, Sociedade Agrícola de Tabacos, Limitada ("SAT") (a BAT Group company in Mozambique) filed a complaint to the National Inspectorate for Economic Activities ("INAE"), the government body under the Ministry of Industry and Trade, regarding alleged infringements of its registered trade mark (GT) by GS Tobacco SA ("GST"). INAE subsequently seized the allegedly infringing products (GS cigarettes) and fined and ordered GST to discontinue manufacturing products that could infringe SAT's intellectual property rights. Following INAE's decision, in July 2017 and March 2018, SAT sought damages via the Judicial Court of Nampula, from GST in the amount of MZN46,811,700 (£544,604) as well as a permanent restraint order in connection with the manufacturing and selling of the allegedly infringing products. The Judicial Court of Nampula (Tribunal Judicial de Nampula) granted the order on an interim basis on 7 August 2017. After hearing the parties, on 5 September 2017, the court found that no alleged infringement by GST had occurred and removed the interim restraint order, and rejected the damages claim. This decision was appealed by SAT (the "Infringement Appeal"). GST filed an application for review against INAE's initial decision directly to the Minister of Trade and Industry, which reversed the decision of INAE. On 31 December 2018, SAT was notified of GST's counterclaim against SAT at the Judicial Court of Nampula for damages allegedly sustained as a result of SAT's complaint to INAE (and INAE's decision). GST is seeking damages in the amount of approximately MZN14.5 billion (approximately £168.7 million). On 31 January 2019, SAT filed a formal response to the counterclaim. A preliminary hearing was held on 2 April 2019, when the court heard arguments on the validity of GST's counterclaim. On 2 September 2019, SAT received notification of an order which provided that (i) SAT's invalidity arguments had been dismissed by the court; and (ii) the GST counterclaim would proceed to trial. On 9 September 2019, SAT responded to the order by appealing the dismissal of the SAT invalidity arguments (the "Invalidity Appeal"). SAT was notified in December 2021 that the trial of the counterclaim was to take place on 24 February 2022. SAT subsequently submitted a complaint related to that trial to the court, on the basis that prior to

any further step being taken in relation to the trial the process should be submitted to the superior court for analysis, as per the appeals previously submitted in the proceedings. SAT's complaint has been appreciated favourably and the process was remitted to the High Court of Appeal for Nampula. The Court of Appeal handed down its judgment in respect of SAT's Infringement Appeal and SAT's Invalidity Appeal. In respect of the Invalidity Appeal, the court found that the requirements for GST's counterclaim had not been met, and accordingly found that the counterclaim could not proceed. In respect of the Infringement Appeal, the court partially upheld the main appeal brought by SAT, finding that there had been a partial reproduction of SAT's trade marks by GST. Consequently, it ordered GST to abstain from producing and commercialising products using packaging similar to that of SAT. However, as regards SAT's claim for compensation for damage caused by the conduct of GST, the court found that this loss had not been proven. GST has submitted an appeal on both the main process and counterclaim. The process is now pending before the Supreme Court.

Malawi Group Action

In December 2020, BAT and British American Tobacco (GLP) Limited ("GLP") were named as defendants in a claim made in the English High Court by around 7,500 Malawian tobacco farmers and their family members. The claim also names Imperial Brands plc and five affiliates as defendants. The claimants allege they were subjected to unlawful and exploitative working conditions on tobacco farms from which it is alleged that the defendants indirectly acquire tobacco. They seek unquantified damages (including aggravated and exemplary damages) for the torts of negligence and conversion and unquantified personal and proprietary remedies for restitution of unjust enrichment. They also seek an injunction to restrain the commission of further torts of conversion or negligence by the defendants. In January 2022, BAT and GLP were served with a similar claim by around a further 3,500 claimants. BAT and GLP intend to vigorously defend the claims.

Middle East Litigation

In late December 2023, B.A.T (U.K. and Export) Limited ("BAT UKE") received a request for arbitration proceedings from a customer/distributor in the Middle East, seeking damages in the range of US$117.7 million (approximately £87.5 million) to US$119.8 million (approximately £89.1 million). In April 2024, British American Tobacco ME DMCC ("BAT ME DMCC") was joined to the arbitration proceedings on request of the claimants. The claimants have since amended the quantum of their claim and now seek damages in the range of US$112.6 million (approximately £83.7 million) to US$116.9 million (approximately £86.9 million). The final merits hearing will take place in the first quarter of 2026.

Asbestos Litigation

As of 31 December 2025, there were four active asbestos personal injury cases served and pending against BATUS Holdings Inc. (*Horsfield*, *Temperley*, *Chimento*, and *McGuigan*). During the financial year 2025, BATUS Holdings Inc. was served with five new asbestos personal injury cases (*Colwell, Ward*, *Temperley*, *Chimento*, and *McGuigan*), and was voluntarily dismissed from six asbestos personal injury cases (*Harshberger*, *Lowis*, *Colwell*, *Ward*, *Weber*, and *Hardaway*). The plaintiffs in each of the active cases allege exposure to the defendants' asbestos and asbestos-containing talcum powder and cosmetics products, and assert claims under state law, including for negligence, breach of warranty, strict liability, conspiracy, fraud and wrongful death. The plaintiffs seek unspecified compensatory and punitive damages. Of the four active cases, *Horsfield* and *Temperley* were filed in state court in Florida (Miami-Dade County and Broward County, respectively), *Chimento* was filed in state court in Louisiana (Orleans Parish), and *McGuigan* was filed in state court in Pennsylvania (Philadelphia County Court of Common Pleas). BATUS Holdings Inc. has filed motions to dismiss each of the four active cases for lack of personal jurisdiction, which motions remain pending.

Cigarette Filter Litter Litigation

On 21 November 2022, the Mayor and City Council of Baltimore, Maryland, filed a lawsuit in the Circuit Court for Baltimore City naming BAT and RJRT, as well as PM USA, Altria Group, Liggett Group LLC and a Maryland-based distributor, as defendants. The plaintiff, a municipality, alleges that the defendants manufactured, distributed and sold non-biodegradable cigarette filters with knowledge that consumers would discard used filters on public property owned by the plaintiff, and further alleges that the defendants failed to warn consumers of the alleged environmental impacts of littered filters. The plaintiff asserts causes of action for alleged violation of state and municipal civil and criminal anti-littering and dumping laws, trespass, strict liability and negligent design defect, public nuisance, and strict liability and negligent failure to warn. The plaintiff seeks, among other relief, unspecified damages (including punitive damages) for costs allegedly incurred removing discarded cigarette filters from public property, and for alleged damage to land and natural resources and property value diminution, along with fines under state and municipal laws. On 3 February 2023, PM USA filed a notice of removal of the litigation to the Federal District Court in Baltimore, Maryland. The plaintiff moved to remand the action back to the Circuit Court for Baltimore City on 20 March 2023. The federal court, following briefing on the motion, issued an order on 19 January 2024 remanding the action back to the Circuit Court for Baltimore City. On 19 March 2024, BAT filed a motion to dismiss the complaint for lack of personal jurisdiction and for failure to state a legal claim. That same date, defendants RJRT, PM USA, Liggett Group LLC, and a Maryland-based distributor moved to dismiss the complaint for failure to state a legal claim. BAT was voluntarily dismissed from the action without prejudice via a stipulation of dismissal filed on 2 May 2024. Briefing on those defendants' pending motion to dismiss is completed, oral argument was held on 17 July 2024. On 21 July 2025, the trial court granted the defendants' motion to dismiss in part, dismissing a number of claims with prejudice, and denied it in part, allowing a number of claims to proceed. The Circuit Court dismissed the five criminal counts for various procedural and substantive deficiencies. The Circuit Court additionally determined that the plaintiff failed to sufficiently allege a continuing trespass under Maryland law and dismissed that claim as well. The Circuit Court allowed the plaintiff's design defect (strict liability and negligence), public nuisance, and failure to warn (strict liability and negligence) claims to proceed. On 5 August 2025, the defendants filed a joint motion to stay the Baltimore litigation pending the Maryland Supreme Court's decision in an appeal in unrelated climate change litigation relating to the scope of Maryland's common law of public nuisance. The Supreme Court's decision is expected in the first quarter of 2026. On 12 September 2025, the Circuit Court denied the defendants' motion for a stay and ordered (as alternatively requested) a two-year fact and expert discovery schedule. The Group will continue to monitor the Maryland Supreme Court and its pending decision in the unrelated climate change litigation relating to the scope of the state's public nuisance law and its potential impact on the nuisance claim in the Baltimore litigation against the Company and RJRT. On 17 November 2025, the state of Maryland filed a motion to intervene in the Circuit Court case, seeking to file a complaint for declaratory relief to adjudicate the parties' rights and liabilities under the MSA. On 17 December 2025, the Court granted the state's motion. The defendants will answer the state's complaint in intervention in due course.

Carbon Neutral Litigation

On 28 May 2025, plaintiffs Vanessa Bell, Destiney Murrah and Sean Nugent filed a putative class action lawsuit in federal court in California, naming as defendants BAT, RJR Vapor, RJRT and RAI. The plaintiffs allege that certain Vuse-brand vaporiser devices and consumable products were falsely marketed to consumers as "carbon neutral," based on the defendants' allegedly false statements that the production and use of the Vuse products resulted in no net addition of carbon dioxide to the atmosphere due to reductions of carbon emissions in their production, with remaining emissions offset through the purchase of carbon credits. The plaintiffs assert claims for violation of state consumer protection, unfair competition and false advertising statutes, breach of express and implied warranties, and unjust enrichment, and seek, among other relief, unspecified compensatory, statutory, treble and punitive damages. Plaintiffs filed an amended complaint on 30 September 2025. BAT and RAI moved to dismiss the amended complaint for lack of personal jurisdiction, and RJR Vapor and RJRT moved to dismiss the amended complaint for failure

to state a claim on 10 October 2025. The plaintiffs opposed the motions filed by BAT, RJR Vapor and RJRT. RAI was voluntarily dismissed from the action without prejudice on 20 January 2026. A hearing on the dismissal motions was held on 3 February 2026 and the court reserved the decision.

Nahadi Litigation

On 29 January 2026, a claim was filed in the US District Court for the Eastern District of Virginia against BAT and British-American Tobacco Marketing (Singapore) Private Limited (BATMS). The claimants are 196 US nationals and family members who claim unquantified civil damages under the US Anti-Terrorism Act. The substance of the allegations relate to matters previously disclosed in relation to historic business activities in the Democratic People's Republic of Korea which resulted in the Company's April 2023 entry into a three-year deferred prosecution agreement (DPA) with the DOJ, with BATMS pleading guilty to the same charges, and a civil settlement agreement with OFAC. BAT and BATMS intend to vigorously defend the claim.

Fox River

Background to environmental liabilities arising out of contamination of the Fox River

US authorities identified potentially responsible parties ("PRPs"), including NCR Corporation, now called NCR Voyix Corporation ("NCR"), to fund the clean-up of polluted sediments in the Lower Fox River, Wisconsin. Discharges of Polychlorinated Biphenyls ("PCBs") from paper mills and other facilities operating close to the river caused the pollution. Industries' involvement with the environmental liabilities arises out of (i) indemnity arrangements which it became party to due to various transactions that took place from the late-1970s onwards and (ii) subsequent litigation brought by NCR against Industries and Appvion Inc. ("Appvion") (a former Group subsidiary) in relation to those arrangements.

Following substantial litigation in the United States regarding the responsibility for the costs of the clean-up operations (estimated to amount to US$1,346 million (£1,001 million) (including natural resource damages)), and enforcement proceedings brought by the US Government against NCR and Appvion to ensure compliance with regulatory orders made relating to the Fox River clean-up, the District Court of Wisconsin approved two forms of settlement with the US Government known as consent decrees on (i) 23 August 2017, pursuant to which NCR was obliged to perform and fund all of the remaining Fox River remediation work by itself and (ii) 14 March 2019, which concluded all remaining litigation relating to the Fox River.

On 3 October 2022, the United States Environmental Protection Agency issued a Certificate of Completion in respect of remedial action for the Lower Fox River.

Industries' involvement with environmental liabilities arising out of the contamination of the Fox River

NCR's position is that, under the terms of a 1998 Confidential Settlement Agreement ("CSA") between it, Appvion and Industries, and a 2005 arbitration award, Industries and Appvion had a joint and several obligation to bear 60 per cent. of the Fox River environmental remediation costs imposed on NCR and of any amounts NCR has to pay in respect of other Fox River PRPs' contribution claims. Industries has not acknowledged any such liability to NCR and has defences to such claims.

Until May 2012, Appvion and Windward Prospects Limited ("Windward") (another former Group subsidiary) which indemnified Industries, paid a 60 per cent. share of the clean-up costs incurred by NCR. Around that time, Appvion refused to continue to pay clean-up costs, and NCR therefore demanded that Industries pay a 60 per cent. share of those costs. Industries resisted NCR's demand and commenced indemnification proceedings against Windward and Appvion, which were settled by entering into an agreement between Industries, Windward, Appvion, NCR and BTI 2014 LLC ("BTI") (a wholly owned subsidiary of Industries) in September 2014 (the "Funding Agreement").

Under the Funding Agreement, the parties agreed, among other things, a framework through which they would together fund the ongoing costs of the Fox River clean-up including an agreement to accept funding by Industries at a level of 50 per cent. of NCR's share of ongoing clean-up related costs (rather than 60 per cent.), subject to the ability of NCR or Industries to litigate at a later stage the extent of Industries' liability (if any) in relation to the clean-up costs (including in respect of the 50 per cent. paid by Industries to date under the express reservation). Appvion entered Chapter 11 bankruptcy protection on 1 October 2017.

Under the Funding Agreement, BTI was assigned a claim commenced by Windward in the High Court of England & Wales (the "High Court") against Sequana S.A. ("Sequana") and the former Windward directors (the "Windward Dividend Claims"), which related to dividend payments made by Windward to Sequana of around €443 million (approximately £386.8 million) in 2008 and €135 million (£117.9 million) in 2009 (the "Dividend Payments").

In addition, Industries commenced an action directly against Sequana to recover the value of the Dividend Payments alleging that the dividends were paid for the purpose of putting assets beyond the reach of Windward's creditors (including Industries) (the Section 423 Claims). The Section 423 Claims and Windward Claims were heard together.

The High Court upheld the Section 423 Claims but dismissed the Windward Dividend Claims.

The High Court ordered that Sequana pay to BTI an amount up to the full value of the 2009 Dividend Payment plus interest, equating to around US$185 million (approximately £137.5 million). Upon the parties' cross appeals, the Court of Appeal substantially upheld the decision of the High Court. The subsequent appeal by BTI to the Supreme Court in respect of the Windward Dividend Claims against the former Windward Directors was dismissed on 5 October 2022.

On 15 May 2019, the Nanterre Commercial Court made an order placing Sequana into formal liquidation proceedings, staying execution of the judgment, under which, to date, no payments have been made to Industries.

BTI brought claims against Windward's former auditors and advisers (which claims were also assigned to BTI under the Funding Agreement). BTI commenced a claim against PricewaterhouseCoopers LLP ("PwC") in the High Court in respect of its role as Windward's auditor at the time of the Dividend Payments. Trial commenced on 4 June 2024. The claims were settled on 21 June 2024, pursuant to the terms set out in a confidential settlement agreement entered into by BTI, PwC and the joint administrators of Windward (who were a nominal party to the proceedings). An agreed stay is presently in place in respect of BTI's separate assigned claim against Freshfields Bruckhaus Deringer.

The sums Industries has paid under the Funding Agreement are subject to the express reservation as set out above and ongoing adjustment. Clean-up costs can only be estimated in advance of the work being carried out and certain sums payable are the subject of ongoing US litigation. Industries is potentially liable for further costs associated with the clean-up. Industries has a provision of £41 million which represents the current best estimate of its further exposure.

Kalamazoo

Georgia-Pacific, a designated PRP in respect of the Kalamazoo River in Michigan, also pursued NCR in relation to remediation costs caused by PCBs released into that river.

On 26 September 2013, the United States District Court, Michigan held that NCR was liable as a PRP on the basis that it had arranged for the disposal of hazardous material for the purposes of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA").

Following further litigation, on 11 December 2019, NCR announced that it had entered into a consent decree with the US Government and the State of Michigan (subsequently approved by the court on 2

December 2020), pursuant to which it assumed liability for certain remediation work at the Kalamazoo River. The payments to be made on the face of the consent decree in respect of such work total approximately US$245 million (approximately £182.1 million). The consent decree also provides for the payment by NCR of an outstanding judgment against it of approximately US$20 million (approximately £14.9 million) to Georgia-Pacific.

The quantum of the clean-up costs for the Kalamazoo River is presently unclear. It seems likely to exceed the amounts payable on the face of the consent decree.

On 10 February 2023, NCR filed a complaint in the United States District Court for the Southern District of New York against Industries, seeking a declaration that Industries must compensate NCR for 60 per cent. of costs NCR incurred and incurs relating to the Kalamazoo River site on the asserted basis that the Kalamazoo River constitutes a 'Future Site' for the purposes of the CSA. The Funding Agreement described above does not resolve these claims. On 23 June 2023, Industries filed its defence and counterclaims in the proceedings. After a motion by NCR, on 14 September 2024, the court issued a judgment, striking out one of Industries' eight affirmative defences and dismissing three of Industries' five counterclaims against NCR's complaint. The proceedings are ongoing.

Other environmental matters

RAI and its subsidiaries are subject to federal, state and local environmental laws and regulations concerning the discharge, storage, handling and disposal of hazardous or toxic substances. Such laws and regulations provide for significant fines, penalties and liabilities, sometimes without regard to whether the owner or operator of the property or facility knew of, or was responsible for, the release or presence of hazardous or toxic substances. In addition, third parties may make claims against owners or operators of properties for personal injuries and property damage associated with releases of hazardous or toxic substances. In the past, RJRT has been named a PRP with third parties under CERCLA with respect to several superfund sites. RAI and its subsidiaries are not aware of any current environmental matters that are expected to have a material adverse effect on the business, results of operations or financial position of RAI or its subsidiaries.

Investigations

The Group investigates, and becomes aware of governmental authorities' investigations into, allegations of misconduct, including alleged breaches of sanctions and allegations of corruption at Group companies. Some of these allegations are currently being investigated. The Group cooperates with the authorities, where appropriate.

On 25 April 2023, the Group announced that it had reached agreement with DOJ and OFAC to resolve previously disclosed investigations into suspicions of sanctions breaches. These concerned business activities relating to the Democratic People's Republic of Korea between 2007 and 2017. BAT entered into a three-year deferred prosecution agreement ("DPA") with DOJ and a civil settlement agreement with OFAC. DOJ's charges against BAT—one count of conspiring to commit bank fraud and one count of conspiring to violate sanctions laws—were filed and will later be dismissed if BAT abides by the terms of the DPA. In addition, a BAT subsidiary in Singapore, British-American Tobacco Marketing (Singapore) Private Limited, pleaded guilty to the same charges. The total amount payable to the US authorities is approximately US$635 million (approximately £472.3 million) plus interest, which has been paid by BAT.

Competition Investigations: There are instances where the Group investigates or where Group companies are cooperating with relevant national competition authorities in relation to competition law investigations and/or engaged in legal proceedings at the appellate level, including (amongst others) in Belgium and Brazil. In regards to the previously disclosed consent order entered into with the Nigerian Federal Competition and Consumer Protection Commission ("FCCPC") by British American Tobacco (Holdings) Limited, British American Tobacco (Nigeria) Limited and British American Tobacco Marketing (Nigeria)

Limited in December 2022, the monitors appointed under the order remained in place until the fourth quarter of 2025.

Marketing Activities: In addition, the Group is, and may in the future be, subject to investigations or legal proceedings in relation to, among other things, its marketing, promotion or distribution activities in respect of its products. This includes, but is not limited to, allegations that such activities, whether undertaken through traditional channels, digital platforms, third parties, or distribution applications, do not comply with applicable laws or regulations. As such, the Group or Group companies, could be subject to liability and costs associated with any damages, fines, or penalties brought in connection with these allegations.

Closed litigation matters

The following matters on which BAT reported in the contingent liabilities and financial commitments note 31 to the Group's 2024 financial statements have been dismissed, concluded or resolved as noted below and shall not be included in future reports:

Matter	Jurisdiction	Companies named as Defendants	Description	Disposition
Lowis, Colwell, Weber, Ward, Hardaway and Harshberger	US	BATUS Holdings Inc.	Asbestos Litigation	Voluntary dismissal by plaintiffs
Netherlands Competition Investigation	Netherlands	British American Tobacco Nederland B.V., British American Tobacco International (Holdings) B.V.	Competition	Fine issued against British American Tobacco International (Holdings) B.V.
US Department of Justice Action	US	RJRT	RICO	Posting of corrective communication signage at retail is complete
State Settlement Agreement: Missouri	US	RJRT, SFNTC	State Settlement Agreements-Enforcement and Validity	Arbitration award finding Missouri failed to diligently enforce upheld, resulting in credits to RJRT's MSA settlement payments

State Settlement Agreement: Mississippi	US	RJRT	State Settlement Agreements-Enforcement and Validity	Settlement
State Settlement Agreement: Delaware	US	RJRT, RAI	State Settlement Agreements-Enforcement and Validity	Settlement

General Litigation Conclusion

While it is impossible to be certain of the outcome of any particular case or of the amount of any possible adverse verdict, the Group believes that the defences of the Group's companies to all these various claims are meritorious on both the law and the facts, and a vigorous defence is being made everywhere.

If adverse judgments are entered against any of the Group's companies in any case, avenues of appeal will be pursued. Such appeals could require the appellants to post appeal bonds or substitute security in amounts which could in some cases equal or exceed the amount of the judgment. At least in the aggregate, and despite the quality of defences available to the Group, it is possible that the Group's results of operations or cash flows in any particular period could be materially adversely affected by the impact of a significant increase in litigation, difficulties in obtaining the bonding required to stay execution of judgments on appeal, or any final outcome of any particular litigation, or governmental investigation.

Having regard to all these matters, with the exception of the Approved Plans and Fox River, the Group does not consider it appropriate to make any provision in respect of any pending litigation because the likelihood of any resulting material loss, on an individual case basis, is not considered probable and/or the amount of any such loss cannot be reasonably estimated. In addition, the Group accrues for damages, attorneys' fees and/or statutory interest, including in respect of certain *Engle* Progeny cases, certain US individual smoking and health cases and the DOJ medical reimbursement/corrective statement case.

Other contingencies

JTI Indemnities. By a purchase agreement dated 9 March 1999, amended and restated as at 11 May 1999, referred to as the 1999 Purchase Agreement, R.J. Reynolds Tobacco Holdings, Inc. ("RJR") and RJRT sold their international tobacco business to JTI. Under the 1999 Purchase Agreement, RJR and RJRT retained certain liabilities relating to the international tobacco business sold to JTI, and agreed to indemnify JTI against: (i) any liabilities, costs and expenses arising out of the imposition or assessment of any tax with respect to the international tobacco business arising prior to the sale, other than as reflected on the closing balance sheet; (ii) any liabilities, costs and expenses that JTI or any of its affiliates, including the acquired entities, may incur after the sale with respect to any of RJR's or RJRT's employee benefit and welfare plans; and (iii) any liabilities, costs and expenses incurred by JTI or any of its affiliates arising out of certain activities of Northern Brands.

RJRT has received claims for indemnification from JTI, and several of these have been resolved. Although RJR and RJRT recognise that, under certain circumstances, they may have other unresolved indemnification obligations to JTI under the 1999 Purchase Agreement, RJR and RJRT disagree what circumstances described in such claims give rise to any indemnification obligations by RJR and RJRT and the nature and extent of any such obligation. RJR and RJRT have conveyed their position to JTI, and the parties have agreed to resolve their differences at a later date.

ITG Indemnity. In the purchase agreement relating to the Divestiture, as amended, RAI agreed to defend and indemnify, subject to certain conditions and limitations, ITG in connection with claims relating to the purchase or use of one or more of the Winston, Kool, Salem or Maverick cigarette brands on or before 12 June 2015, as well as in actions filed before 13 June 2025, relating to the purchase or use of one or more

of the Winston, Kool, Salem or Maverick cigarette brands. In the purchase agreement relating to the Divestiture, ITG agreed to defend and indemnify, subject to certain conditions and limitations, RAI and its affiliates in connection with claims relating to the purchase or use of 'blu' brand e-cigarettes. ITG also agreed to defend and indemnify, subject to certain conditions and limitations, RAI and its affiliates in actions filed after 12 June 2025, relating to the purchase or use of one or more of the Winston, Kool, Salem or Maverick cigarette brands after 12 June 2015. ITG has tendered a number of actions to RAI under the terms of this indemnity, and RAI has, subject to a reservation of rights, agreed to defend and indemnify ITG pursuant to the terms of the indemnity. RAI has tendered an action to ITG under the terms of this indemnity, and ITG has, subject to a reservation of rights, agreed to defend and indemnify RAI and its affiliates pursuant to the terms of the indemnity. These claims are substantially similar in nature and extent to claims asserted directly against RJRT in similar actions.

Loews Indemnity. In 2008, Loews Corporation ("Loews"), entered into an agreement with Lorillard Inc., Lorillard Tobacco, and certain of their affiliates, which agreement is referred to as the "Separation Agreement". In the Separation Agreement, Lorillard agreed to indemnify Loews and its officers, directors, employees and agents against all costs and expenses arising out of third-party claims (including, without limitation, attorneys' fees, interest, penalties and costs of investigation or preparation of defence), judgments, fines, losses, claims, damages, liabilities, taxes, demands, assessments, and amounts paid in settlement based on, arising out of or resulting from, among other things, Loews' ownership of or the operation of Lorillard and its assets and properties, and its operation or conduct of its businesses at any time prior to or following the separation of Lorillard and Loews (including with respect to any product liability claims). Loews is a defendant in three pending product liability actions, each of which is a putative class action. Pursuant to the Separation Agreement, Lorillard is required to indemnify Loews for the amount of any losses and any legal or other fees with respect to such cases. Following the closing of the Lorillard merger, RJRT assumed Lorillard's obligations under the Separation Agreement as was required under the Separation Agreement.

SFRTI Indemnity. In connection with the 13 January 2016 sale by RAI of the international rights to the NAS brand name and associated trademarks, along with SFR Tobacco International GmbH ("SFRTI") and other international companies that distributed and marketed the brand outside the United States, to JT International Holding BV ("JTI Holding"), each of SFNTC, R.J. Reynolds Global Products, Inc., and R.J. Reynolds Tobacco B.V. agreed to indemnify JTI Holding against, among other things, any liabilities, costs, and expenses relating to actions (i) commenced on or before (a) 13 January 2019, to the extent relating to alleged personal injuries, and (b) in all other cases, 13 January 2021; (ii) brought by (a) a governmental authority to enforce legislation implementing European Union Directive 2001/37/EC or European Directive 2014/40/EU or (b) consumers or a consumer association; and (iii) arising out of any statement or claim (a) made on or before 13 January 2016, (b) by any company sold to JTI Holding in the transaction, (c) concerning NAS brand products consumed or intended to be consumed outside of the United States and (d) that the NAS brand product is natural, organic, or additive-free.

Indemnification of Distributors and Retailers. RJRT, Lorillard Tobacco, SFNTC, American Snuff Co. and RJR Vapor have entered into agreements to indemnify certain distributors and retailers from liability and related defence costs arising out of the sale or distribution of their products. Additionally, SFNTC has entered into an agreement to indemnify a supplier from liability and related defence costs arising out of the sale or use of SFNTC's products. The cost has been, and is expected to be, insignificant. RJRT, SFNTC, American Snuff Co. and RJR Vapor believe that the indemnified claims are substantially similar in nature and extent to the claims that they are already exposed to by virtue of their having manufactured those products.

Except as otherwise noted above, RAI is not able to estimate the maximum potential of future payments, if any, related to these indemnification obligations.

Tax disputes

The Group has exposures in respect of the payment or recovery of a number of taxes. The Group is and has been subject to a number of tax audits covering, amongst others, excise tax, value added taxes, sales taxes, corporate taxes, withholding taxes and payroll taxes.

The estimated costs of known tax obligations have been provided in the Group's accounts in accordance with the Group's accounting policies. In some countries, tax law requires that full or part payment of disputed tax assessments be made pending resolution of the dispute. To the extent that such payments exceed the estimated obligation, they would not be recognised as an expense. While the amounts that may be payable or receivable in relation to tax disputes could be material to the results or cash flows of the Group in the period in which they are recognised, the Board does not expect these amounts to have a material effect on the Group's financial condition.

The following matters are in or may proceed to litigation:

Corporate taxes

Brazil

Profits of overseas subsidiaries. The Brazilian Federal Tax Authority has filed claims against Souza Cruz seeking to reassess the profits of overseas subsidiaries to corporate income tax and social contribution tax. The reassessments are for the years 2004 until and including 2012 for a total amount of BRL1,645 million (£223 million) to cover tax, interest and penalties.

Souza Cruz appealed all reassessments. The Administrative Court stage has concluded and all judgments have been appealed to the Judicial Courts. Regarding the first assessments (2004-2006), Souza Cruz's appeals were rejected by the ultimate Administrative Court after which Souza Cruz filed two lawsuits with the Judicial Court to appeal the reassessments. The judgment in respect of the reassessment of corporate income tax and social contribution have been decided in favour of Souza Cruz by the first level of the Judicial Court. These cases are awaiting trial on the second level of the Judicial Court. The appeal against the second assessments (2007 and 2008) was upheld at the second tier tribunal and was closed. In 2015, a further reassessment for the same period (2007 and 2008) was raised after the five-year statute of limitation which has been appealed against.

Regarding the 2007-2008 period, Souza Cruz is still awaiting a decision from the first level of the Judicial Court. Souza Cruz received further reassessments in 2014 for the 2009 calendar year and in 2015 an assessment for the 2010 calendar year. Souza Cruz appealed both the reassessments in full. In December 2016, assessments were received for the calendar years 2011 and 2012 which have also been appealed. In April 2025, a favourable decision was received for the 2009-2012 cases in the first level of the Judicial Court, with the Brazilian Tax Authorities' appeal currently pending.

Rio de Janeiro VAT Incentives. The Brazilian Federal Tax authority has challenged the treatment of Rio de Janeiro VAT incentives. In October 2021, in respect of the 2016-2021 calendar years, the authorities' position was upheld at the lower Judicial Court. Souza Cruz has appealed in full against the Judgment. In June 2024, the Brazilian tax authorities initiated a tax audit specifically focused on the exclusion of the VAT incentives from corporate income tax. Consideration of the defence strategy led Management to file a petition to withdraw its judicial claims in order to be able to defend Souza Cruz's position in the administrative courts. The Brazilian Federal Tax authority filed an appeal challenging the withdrawal of the judicial claim. The Brazil Tax Authorities' appeal was unsuccessful and they have confirmed that they do not intend to appeal further. This has resulted in a reversal of the benefit recognised for Souza Cruz's claim for the period 2016-2019 of BRL327 million (£44 million) and a provision for potential exposure to tax, interest and penalties of BRL1,047 million (£142 million) for the 2020-2023 period, reflecting the tax assessment received and a binding Supreme Court decision which reduces the value of these incentives by 10 per cent.

Indonesia

Indonesia's Directorate General of Taxes has filed assessments against Bentoel group companies mainly relating to domestic and other intra-group transactions during the years 2016-2021. Objection letters have been filed with the tax office and these assessments are being challenged at various levels in court. During 2025, a number of these disputes were resolved, and other cases have been moved from lower courts to the Supreme Court. Provisions totalling IDR1,632 billion (£73 million) have been made in respect of claims totalling IDR6,054 billion (£270 million) including interest and penalties.

Netherlands

The Dutch tax authority has issued a number of assessments on various issues across the years 2003-2016 in relation to various intra-group transactions. The assessments amount to an aggregate net potential liability across these periods of £1,082 million covering tax, interest and penalties. The Group appealed against the assessments in full. In relation to the periods from 2003-2007 (with an aggregate potential net liability of £6 million), the Amsterdam Court of Appeal issued judgments on 8 October 2024. The appeal against the assessments was upheld, with the court finding for the Group. The Dutch tax authority have appealed to the Supreme Court. In June 2025, the Advocate General of the Supreme Court upheld the judgment of the Court of Appeal and the appeal is now with the Supreme Court to decide whether to follow the Advocate General.

In relation to the periods from 2008-2016 (with an aggregate potential net liability of £1,076 million), the District Court of North Holland issued judgments on 17 October 2022 and 15 December 2023, resulting in findings against the Group on a number of issues.

On the issue of mark to market losses on external bonds of British American Tobacco Holdings (The Netherlands) B.V., the appeal against the assessments was upheld in full, with the court finding for the Group. In relation to other intra-group transactions, including the termination of licence rights, the court found against the Group and upheld a fine of £92 million for the filing of an intentionally incorrect tax return. The appeals against these judgments were heard in the Amsterdam Court of Appeal in 2024. On 11 September 2025, the Court of Appeal issued its judgment, rescinding the £92 million fine and reducing the adjustments relating to the termination of licence rights. The Court of Appeal largely upheld the District Court's findings on the other intra-group transactions. Both the Group and Dutch tax authorities have issued pro-forma appeals to the Supreme Court.

Having considered the judgment and the Dutch judicial and international proceedings available to it, the Group recognised a further adjusting charge of £171 million in 2025, with a total provision of £326 million recognised at 31 December 2025.

The Group believes that its companies have meritorious defences in law and fact in each of the above matters and intends to pursue each dispute through the judicial system as necessary.

Indirect and other taxes

Bangladesh

In January 2019, a competitor filed a writ petition against the government and the National Board of Revenue ("NBR") by which it initially challenged the failure of government to implement the closing budget speech of the Honourable Finance Minister dated 27 June 2018 and reserving low segment for local brands. Thereafter, the competitor instead challenged the exclusion of protection given to local brands of cigarette manufactured by local manufacturers and sought a direction to continue the protection so granted to the local manufacturers of cigarettes in pursuance of a 2017 Special Order. The competitor further challenged the legality of a 2018 Special Order of the NBR through which the said protection was revoked. British American Tobacco Bangladesh Company Limited ("BAT Bangladesh") was initially not a party to the writ petition, subsequently it became a party through an addition of party application. Upon hearing on multiple occasions, the High Court passed judgment in the matter on 21 September 2020. BAT Bangladesh

filed an appeal against the High Court order and obtained a stay on 4 October 2020. By holding the prospective portion of the 2018 Special Order legal, the court did not allow the discriminatory regime to continue. However, by holding illegal the retrospective portion of the 2018 Special Order, the court revived the discriminatory regime for only one year, that is from 1 June 2017 to 6 June 2018 and held that any shortfall of revenue under the 2017 Special Order may be recovered from any party or manufacturer during the period of 1 June 2017 to 6 June 2018. Subsequently, the Large Taxpayers' Unit ("LTU") VAT issued a show cause notice dated 24 September 2020 following the High Court judgment claiming unpaid VAT and Supplementary Duty ("SD") of BDT24,371 million (£148 million) from 1 June 2017 to 6 June 2018. BAT Bangladesh appealed against the High Court judgment before the Appellate Division and obtained an order of stay. Since the High Court judgment is stayed, the LTU proceeding shall also be deemed to have been stayed.

In addition, BAT Bangladesh has received a memo from the NBR claiming BDT20,540 million (£125 million). This claim is related to VAT and SD allegedly owed by BAT Bangladesh due to the production of an extra 18 billion cigarettes. The allegation is based on an undisclosed purchase of local leaf, which is apparently inferred from a discrepancy found in BAT Bangladesh's 2016 Annual Report and VAT-1 records. NBR has reopened the matter and sent a memo to LTU cancelling the earlier order of the LTU Commissioner which was in favour of BAT Bangladesh and directing LTU to make the demand to BAT Bangladesh claiming the above-mentioned VAT and SD. Subsequently, BAT Bangladesh has received an official demand for payment related to this claim from LTU. BAT Bangladesh has challenged the memo of NBR and obtained a rule in this regard. It has also challenged the demand letter of LTU and prayed for issuance of a supplementary rule and stayed the demand letter. The matter is currently pending before the High Court.

BAT Bangladesh has also received show cause notices from the NBR alleging that the company has avoided excise payment amounting to BDT3,794 million (£23 million) during 2020 to 2024. The notices claimed that the excise avoidance occurred due to the supply of cigarettes stored in BAT Bangladesh's warehouse to its distributors at increased prices. BAT Bangladesh formally responded to the show cause notices, asserting that it has always acted within the law and hence the basis of the allegation and claim is unfounded. A hearing took place regarding the first show cause notice for BDT1,687 million (£10 million) on 13 November 2024 following which the NBR has issued a demand for £10 million. Subsequently, on 13 January 2025, BAT Bangladesh filed a writ in the High Court, challenging the demand on point of law. BAT Bangladesh has appealed the tax demand before the NBR Appellate Tribunal and deposited 10 per cent. of the amount. At the hearing on 22 July 2025, BAT Bangladesh plans to request an adjournment, as a related application is pending before the Supreme Court to remove a remark made by the High Court suggesting BAT Bangladesh had an "ulterior motive." BAT Bangladesh believes this remark is unfair and could affect the outcome of the Tribunal hearing. The remaining show cause notices are currently pending hearing. The NBR Appellate Tribunal hearing concluded during 2025 and the pronouncement of order is expected following a subsequent court hearing in June 2026.

In another matter, VAT rebate claims of BAT Bangladesh for the period July 2022 and October 2023 were denied and an assessment of BDT5,137 million (£31 million) was received. There are four disputes concerning this same matter, which is the availability of evidence to show the disposal of production materials on which VAT input tax has been incurred into the finished products. The disputes are currently subject to an administrative appeal. The High Court directed the disputes back to the Tax Tribunal to hear all four appeals together. The Tax Tribunal heard the cases on 4 December 2025, and again on 25 January 2026. The verdict is outstanding and expected sometime in the first quarter of 2026. If the verdict is unfavourable, BAT Bangladesh will appeal to the High Court.

Finally, in October 2025, the NBR issued show cause notices to BAT Bangladesh wherein the NBR asserted that local raw tobacco leaf purchases in the 2022 to 2023 financial years were subject to VAT. A hearing between BAT Bangladesh and the NBR was held in November 2025, and the NBR issued a

demand notice for BDT2,515 million (£15 million) on 7 January 2026. The matter is now in litigation, and BAT is expected to make an appeal at the Appellate Tribunal of the NBR before the 7 April 2026 deadline. The same challenge has previously been brought by the NBR in respect of the 2010 to 2015 financial years (demand for BDT1,572 million (£10 million)), and Alternate Dispute Resolution resulted in a full withdrawal of the NBR's claim. Similarly, the same challenge was brought in respect of the 2015 to 2018 financial years (BDT1,235 million (£8 million)), and the High Court granted a stay order on the NBR's demand which is still in place. Show cause notices have been received in respect of the same matter covering the 2021 and 2024 financial years (BDT953 million (£6 million) and BDT1,917 million (£12 million), respectively), with no final demand received yet.

Brazil

Court proceedings are underway related to an assessment of VAT arising from the allocation of sales tax between different states. The amount involved is BRL142 million (£19 million). The assessment was issued by the São Paulo state authorities on the grounds that, in the period up to 2018, BAT treated local operations as interstate ones to reduce the VAT paid in São Paulo.

This assessment was appealed to the courts of first and second instance. In both cases, the decisions were unfavourable. In 2023, BAT filed an appeal to the Superior Court which is awaiting a court hearing.

South Korea

In 2016, the Board of Audit and Inspection of Korea (BAI) concluded its tax assessment in relation to the 2014 year-end tobacco inventory, and imposed additional national excise, local excise, VAT taxes and penalties. This resulted in the recognition of a KRW80.7 billion (£42 million) charge by Group subsidiaries, Rothmans Far East B.V. Korea Branch Office and BAT Korea Manufacturing Ltd. Management deems the tax to be unfounded and has appealed to the tax tribunal against the assessment. On grounds of materiality and the likelihood of the tax being reversed in future, the Group classified the tax and penalties charge as an adjusting item in 2016. All amounts have been paid and expensed in both Group and local financial statements.

For the VAT portion of the assessments of KRW6.7 billion (£3 million), the trial court ruled in favour of Rothmans Far East B.V. Korea Branch Office in 2019. The Korean government appealed the ruling immediately thereafter but the appellate court affirmed the ruling of the trial court. The decision was finally affirmed by the Supreme Court in 2021 and Rothmans Far East B.V. Korea Branch Office duly received the amount litigated (VAT portion) including statutory interests shortly thereafter in 2021.

For the local and national excise portion of the assessments, the trial court ruled in favour of the Korean government in June 2020 and the decision was affirmed by the appellate court in September 2023. British American Tobacco Korea Manufacturing Ltd. appealed to the Supreme Court in October 2023. The Supreme Court has not set a hearing date yet and the case is currently pending at the Supreme Court.

Commitments in relation to service contracts, non-capitalised leases

The total future minimum payments under non-cancellable service contracts based on when payments fall due:

	2025 £m	2024 £m
Service contracts		
Within one year	72	63
Between one and five years	18	30
Beyond five years	—	—

	2025 £m	2024 £m
	90	93

Financial commitments arising from short-term leases and leases of low-value assets that are not capitalised under IFRS 16 Leases are £7 million (2024: £10 million) for property and £1 million (2024: £2 million) for plant, equipment and other assets.

RAI

Incorporation, Business and Development

RAI was incorporated in the State of North Carolina on 2 January 2004. RAI's principal office is located at 401 North Main Street, Winston-Salem, North Carolina 27101, United States and its telephone number is +1(336) 741 2000. The website of RAI is https://www.reynoldsamerican.com/. No information on such website forms part of this Base Prospectus except as specifically incorporated by reference, see "*Documents Incorporated by Reference*".

RAI is a holding company whose wholly-owned operating subsidiaries include: (i) RJRT, manufacturer of US cigarette brands Newport, Camel, Pall Mall, and Lucky Strike; (ii) SFNTC, manufacturer of US cigarette brand NAS; (iii) American Snuff Co., a smokeless tobacco and modern oral nicotine products manufacturer; (iv) RJR Vapor, a marketer of digital vapour cigarettes in the US; and (v) Modoral, a marketer of modern oral nicotine products in the US.

Organisational Structure

RAI is an indirect, wholly-owned subsidiary of BAT.

Administrative, management and supervisory bodies of RAI

Directors

The following is a list of the Directors of RAI:

Name	Function
L. Senra	Director
D. Waterfield	Director
J.J. Raborn.....	Director

None of the directors listed above performs activities outside RAI or the Group which are significant with respect to the Group. The business address of the directors of RAI is 401 North Main Street, Winston-Salem, North Carolina 27101, United States.

The duties owed by the directors do not give rise to any potential conflicts of interests with such directors' private interests and other duties.

Deed of Guarantee

Up to and including the Termination Date (as defined below), Senior Notes issued under the Programme will be irrevocably and unconditionally guaranteed by RAI pursuant and subject to a deed of guarantee (the "Deed of Guarantee") dated 2 August 2017 (the "RAI Guarantee"). The RAI Guarantee will constitute an unconditional and irrevocable obligation of RAI, on a joint and several basis with the Guarantors, for the payment of all sums expressed to be payable from time to time by each Issuer in respect of Senior Notes issued under the Programme on or after the date of the Deed of Guarantee up to and including the Termination Date (as defined below).

Without the consent of the Trustee, the Noteholders or the Guarantors, RAI will be automatically and unconditionally released from all obligations under the Deed of Guarantee, and the Deed of Guarantee shall thereupon terminate and be discharged and shall be of no further force or effect, if at any time the aggregate amount of indebtedness for borrowed money, subject to certain exceptions, for which RAI is an obligor (as a guarantor or borrower) does not exceed ten per cent. of the outstanding long term debt of

BAT as reflected in the balance sheet included in BAT's most recent publicly released interim or annual consolidated financial statements (such date being the "Termination Date"), as evidenced by a certificate to such effect addressed to the Trustee and signed by a director of BAT (upon which certificate the Trustee shall be entitled to rely). The amount of RAI's indebtedness for borrowed money shall not include (A) its guarantee in respect of the Senior Notes, (B) any other debt guaranteed by RAI the terms of which permit the termination of RAI's guarantee of such debt under similar circumstances as set out in the Deed of Guarantee, as long as RAI's obligations in respect of such other debt are terminated at substantially the same time as its guarantee of the Senior Notes, (C) any debt issued or guaranteed by RAI that is being refinanced at substantially the same time as the release of the guarantee of the Senior Notes pursuant to the Deed of Guarantee, provided that any obligations of RAI in respect of any debt that is incurred in any such refinancing shall be included in the calculation of RAI's indebtedness for borrowed money and (D) for the avoidance of doubt, any debt in respect of which RAI is an obligor (as a guarantor or borrower) (i) between or among BAT and any subsidiary or subsidiaries thereof or (ii) between or among any subsidiaries of BAT.

A Noteholder of Senior Notes may inspect of a copy of the Deed of Guarantee during normal business hours at the head office of the Trustee.

MANAGEMENT

Administrative, management and supervisory bodies

Directors

The Directors of BAT and their functions within the Group and their principal activities outside the Group are as follows:

Executive Director	Principal Activities outside the Group
Tadeu Marroco (Chief Executive).....	N/A

Chair	Principal Activities outside the Group
Luc Jobin.....	N/A

Non-Executive Directors	Principal Activities outside the Group
Krishnan 'Kandy' Anand.....	Wingstop Inc. (Non-Executive Director) Igniting Business Growth L.L.C. (Chief Executive Officer)
Véronique Laury.....	Société Bic S.A. (Board Member) Inter Ikea Holding B.V. (Board Member) Eczacıbaşı Holding Company (Board Member)
Karen Guerra	Société Bic S.A. (Board Member)
Holly Keller Koeppel (Senior Independent Director)	Shell plc (Non-Executive Director and member of the Audit and Risk Committee and the Sustainability Committee) Flutter Entertainment plc (Director and Chair of Audit Committee) AES Corporation (Director and Chair of the Financial Audit Committee) Core Natural Resources Inc. (Director and member of HS&E Committee)
Uta Kemmerich-Keil.....	Beiersdorf AG (Non-Executive Director) Klosterfrau Healthcare Group (Non-Executive Director) Schott AG (Non-Executive Director) Farco Pharma GmbH (Director) Röchling SE & Co KG (Advisory Board Member)
Darrell Thomas	Sojourner Family Peace Center, Inc. (Member of the Finance Committee) Dorman Products Inc. (Independent Director)

Non-Executive Directors	Principal Activities outside the Group
	Scotia Holdings (US) Inc. (Non-Executive Director)
	Vontier Corporation (Non-Executive Director)
Serpil Timuray	Change the Face Alliance (Founding Chair)
	World Economic Forum's Digital Leaders of Europe (Board Member)
	World Turkish Business Council (Board Member)
Matthew Wright	Berry Bros. and Rudd Ltd (Non-Executive Director)
	Cripps Leadership Advisors (Chairman)
	Movemeon (Chair Designate and Senior Advisor)

Management Board

The Executive Director of BAT together with the following executives:

James Barrett
(Director, Business Development)

Luciano Comin
(Chief Marketing Officer)

Javed Iqbal
(Interim Chief Financial Officer and Director, Digital and Information)

Zafar Khan
(Director, Operations)

Dr Cora Koppe-Stahrenberg
(Chief People Officer)

Paul McCrory
(Director, Legal and General Counsel)

Pascale Meulemeester

(Regional Director, Asia-Pacific, Middle East and Africa)

Fred Monteiro
(Regional Director, Americas and Europe)

Dr James Murphy
(Director, Research and Science)

Johan Vandermeulen
(Chief Operating Officer)

David Waterfield
(President and CEO, Reynolds American Inc.)

Kingsley Wheaton
(Chief Corporate Officer)

The business address of the Directors and the Management Board of BAT is Globe House, 4 Temple Place, London WC2R 2PG, save for the business address of David Waterfield which is 401 N. Main Street, PO Box 2990, Winston Salem, North Carolina 27101-2990, USA.

Administrative, Management and Supervisory bodies conflicts of interest

Other than as described above, there are no potential conflicts of interest between any duties to BAT of the Directors and the members of the Management Board listed above and/or their private interests and other duties.

TERMS AND CONDITIONS OF THE SENIOR NOTES

The following (save for the text in italics) are the Terms and Conditions of the Senior Notes which will be incorporated by reference into each Global Note representing each Series of Senior Notes and each definitive Note (each as defined below) issued in exchange for any such Global Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. Part A of the applicable Final Terms in relation to any Tranche (as defined below) of Senior Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, complete the following Terms and Conditions for the purpose of such Senior Notes. Part A of the applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note representing each Series of Senior Notes and each definitive Note issued in exchange for any such Global Note. The following Terms and Conditions shall be applicable to those Notes which are specified to be "Senior Notes" in the applicable Final Terms. References in the following Terms and Conditions to "Notes" are to the Senior Notes of one Series only, not to all Notes that may be issued under the Programme. Reference should be made to the "Form of Final Terms for Senior Notes" for the form of Final Terms which will specify which of such terms are to apply in relation to the relevant Senior Notes.

This Note is one of a Series (as defined below) of Notes issued by B.A.T. International Finance p.l.c. ("**BATIF**"), B.A.T. Netherlands Finance B.V. ("**BATNF**") or B.A.T Capital Corporation ("**BATCAP**") as indicated in the applicable Final Terms (each in its capacity as the issuer of the Notes, the "**Issuers**" and, together with the other in its capacity as issuer of other notes, the "**Issuers**") constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 6 July 1998 made between, *inter alios*, each of BATIF, BATNF and BATCAP as an Issuer, and where it is not the Issuer of the Notes, as guarantor of notes issued by the other Issuers, British American Tobacco p.l.c. ("**British American Tobacco**") as a guarantor and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include any successor as trustee). Each of BATIF, BATNF, BATCAP and British American Tobacco in its capacity as a guarantor is herein referred to as a "**Guarantor**" and all together in such capacities are herein referred to as the "**Guarantors**". The Issuer and the Guarantors in relation to the Notes are specified in the applicable Final Terms (as defined below) and such expressions shall be construed accordingly.

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

(i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(ii) any Global Note; and

(iii) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 18 March 2026 and made between the same parties as are parties to the Trust Deed, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agent named therein (such paying agent, together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agent). The Paying Agents and the Calculation Agent (if any is specified in the applicable Final Terms) are together referred to as the "**Agents**".

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**")

attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, complete these Terms and Conditions for the purposes of this Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

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

Copies of the Trust Deed, the Agency Agreement and the applicable Final Terms (i) are available for inspection during normal business hours at the registered office for the time being of the Trustee (presently being at Eighth Floor, 100 Bishopsgate, London EC2N 4AG) and at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee or any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Paying Agent, as the case may be). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of and definitions contained in the Trust Deed.

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

In these Terms and Conditions, "**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1 Form, Denomination and Title

The Notes are issued in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions, the Trust Deed and the Agency Agreement are not applicable.

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

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

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

2 Status of the Notes and the Guarantee

(a) *Status of the Notes*

The Notes and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject as aforesaid and save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding up may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

(b) *Status of the Guarantee*

The payment of principal of, and interest on, the Notes together with all other amounts payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably and jointly and severally guaranteed in the Trust Deed by the Guarantors (other than the Issuer).

The obligations of each Guarantor under its guarantee constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the relevant Guarantor and (subject as aforesaid and save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding up may give preference to any of such other obligations) rank and will rank equally with all other unsecured and unsubordinated obligations of the relevant Guarantor from time to time outstanding.

The Trust Deed contains a covenant on the part of the Issuers and the Guarantors in the event that any other company, the share capital of which is or is to be admitted to the official list of the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000 (the "**Official List**") and admitted to trading on the London Stock Exchange plc's main market (the "**Market**"), becomes the ultimate Holding Company of British American Tobacco, to procure that such other Holding Company shall become a guarantor under the Trust Deed, jointly and severally with the Guarantors, with effect from the later of (i) the date on which such other company becomes the ultimate Holding Company of British American Tobacco and (ii) the date on which the share capital of such other Holding Company is admitted to the Official List and admitted to trading on the Market. In such event, the term "**Guarantors**" herein shall be deemed to include such other Holding Company.

3 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed) neither the Issuer nor any Guarantor will secure or allow to be secured any Quoted Borrowing or any payment under any guarantee by any of them of any Quoted Borrowing by any mortgage, charge, pledge or lien (other than arising by operation of law) upon any of its undertaking or assets, whether present or future, unless at the same time the same mortgage, charge, pledge or lien is extended, or security which is in the opinion of the Trustee not materially less beneficial to the Noteholders than the security given as aforesaid or which shall be approved by Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders is extended, or (as the case may be) created, in favour of the Trustee to secure equally and rateably the principal of, and interest on, and all other payments (if any) in respect of the Notes and under the Trust Deed.

For the purposes of this Condition 3, "**Quoted Borrowing**" means any indebtedness which (a) is represented by notes, debentures or other securities issued otherwise than to constitute or represent advances made by banks and/or other lending institutions; (b) is denominated, or confers any right to payment of principal and/or interest, in or by reference to any currency other than the currency of the country in which the issuer of the indebtedness has its principal place of business or is denominated, or confers any right to payment of principal and/or interest, in or by reference to the currency of such country but is placed or offered for subscription or sale by or on behalf of, or by agreement with, the issuer of such indebtedness as to over 20 per cent. outside such country; and (c) at its date of issue is, or is intended by the issuer of such indebtedness to become, quoted, listed, traded or dealt in on any stock exchange or other organised and regulated securities market in any part of the world.

4 Interest

(a) *Interest on Fixed Rate Notes*

The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4*(a)* for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify, as applicable, the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

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

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

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

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

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means in respect of the calculation of an amount of interest in accordance with Condition 4*(a)*:

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Interest Payment Date (or, if none, the Interest Commencement Date), the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in one calendar year;

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; and

(iii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 365.

In these Terms and Conditions:

"**Determination Date**" means the date specified in the applicable Final Terms;

"**Determination Period**" means the period from (and including) a Determination Date to (but excluding) the next Determination Date.

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

(b) *Interest on Floating Rate Notes*

The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4*(b)* for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify, as applicable, any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. The applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(i) *Interest Payment Dates*

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

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

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

Such interest will be payable in respect of each "**Interest Period**" (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date) or the relevant payment date if the Floating Rate Notes become payable on a date other than an Interest Payment Date.

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

(1) in any case where Specified Periods are specified in accordance with Condition 4*(b)*(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B)

each subsequent Interest Payment Date shall be the last Business Day in the month in which the Specified Period falls after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means a day (other than a Saturday or a Sunday) which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (if any) specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the real time gross settlement system operated by the Eurosystem, or any successor to or replacement for that system ("**T2**") is operating.

(ii) *Rate of Interest*

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

(A) *Screen Rate Determination for Floating Rate Notes*

(1) The Rate of Interest for each Interest Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears on the Relevant Screen Page as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded

by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations;

(2) If the Relevant Screen Page is not available or, if in the case of sub-paragraph (A)(1)(I) above, no such offered quotation appears or, in the case of sub-paragraph (A)(1)(II) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph the Issuer shall request each of the several banks initially appointed as reference banks in relation to the Notes of any relevant Series and/or, if applicable, any Successor reference banks in relation thereto such banks being, the principal euro-zone office of four major banks in the euro-zone inter-bank market, in each case selected by the Issuer or as specified in the applicable Final Terms (each a "**Reference Bank**", and together the "**Reference Banks**") to provide the Principal Paying Agent or the Calculation Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable; and

(3) If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable, determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Principal Paying Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for such purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest

Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

(B) *Benchmark Discontinuation*

(1) Independent Adviser

Notwithstanding Conditions 4(b)(ii)(A)(2) and (3), if the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(b)(ii)(B)(2)) and, in either case, an Adjustment Spread (in accordance with and subject to Condition 4(b)(ii)(B)(3)) and any Benchmark Amendments (in accordance with Condition 4(b)(ii)(B)(4)).

In advising the Issuer, the Independent Adviser appointed pursuant to this Condition 4(b)(ii)(B) shall act in good faith as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, any Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(b)(ii)(B).

If, following the occurrence of a Benchmark Event (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(ii)(B), in each case prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the determination of the Rate of Interest applicable to the next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(b)(ii)(B).

(2) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser, determines that:

(I) there is a Successor Rate, then such Successor Rate and (subject to Condition 4(b)(ii)(B)(3)) the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof)

for all relevant future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(b)(ii)(B)); or

(II) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and (subject to Condition 4(b)(ii)(B)(3)) the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of this Condition 4(b)(ii)(B)).

(3) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied (subject to the proviso in the following sentence) to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

(4) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case (subject to Condition 4(b)(ii)(B)(3)), the applicable Adjustment Spread is determined in accordance with this Condition 4(b)(ii)(B) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (a) that amendments to these Terms and Conditions, the Agency Agreement, any calculation agency agreement (a "**Calculation Agency Agreement**"), if applicable, and/or the Trust Deed are necessary to follow market practice or to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (or any combination thereof) (such amendments, the "**Benchmark Amendments**") and (b) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(b)(ii)(B)(5), without any requirement for the consent or approval of the Noteholders or the Couponholders, vary these Terms and Conditions, the Agency Agreement, any Calculation Agency Agreement and/or the Trust Deed (as applicable) to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Calculation Agent, if applicable, and the Principal Paying Agent of a certificate signed by one director of the Issuer pursuant to Condition 4(b)(ii)(B)(5), the Trustee, the Calculation Agent, if applicable, and the Principal Paying Agent shall (at the request and expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a supplement to or document amending the Trust Deed, the Calculation Agency Agreement, if applicable, and/or the Agency Agreement (as applicable)) and the Trustee, the Calculation Agent, if applicable, and the Principal Paying Agent shall not be liable to any person for any consequence

thereof, provided that neither the Trustee nor the Calculation Agent, if applicable, nor the Principal Paying Agent shall be obliged so to concur if in the opinion of the Trustee, the Calculation Agent, if applicable, or the Principal Paying Agent (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to the Trustee, the Calculation Agent, if applicable, or the Principal Paying Agent (as applicable) in these Terms and Conditions, the Agency Agreement, the Calculation Agency Agreement, if applicable, or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4(b)(ii)(B)(4), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(5) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(b)(ii)(B) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, if applicable, the Principal Paying Agent and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee, the Calculation Agent, if applicable, and the Principal Paying Agent of the same, the Issuer shall deliver to the Trustee, the Calculation Agent, if applicable, and the Principal Paying Agent a certificate signed by one director of the Issuer:

(I) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) any applicable Adjustment Spread and (d) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(b)(ii)(B); and

(II) certifying that the Benchmark Amendments (if any) are necessary to follow market practice or, as applicable, to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) any applicable Adjustment Spread or any combination thereof (as applicable).

The Trustee, the Calculation Agent, if applicable, and the Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's, the Calculation Agent's (if applicable) and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, if applicable, the Paying Agents, the Noteholders and the Couponholders. For the avoidance of doubt, neither the Trustee, the Calculation Agent, if applicable, nor the Principal Paying Agent shall be liable

to the Noteholders or any other person for so acting or relying on such certificate.

(6) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(b)(ii)(B)(1), (2), (3) and (4), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii)(A) and Clause 8.2 of the Agency Agreement will continue to apply unless and until the Issuer determines that a Benchmark Event has occurred and the Trustee, the Calculation Agent, if applicable, and the Paying Agents have been notified of the Successor Rate or the Alternative Rate (as the case may be) and the Adjustment Spread (if applicable) and any Benchmark Amendments in accordance with this Condition 4(b)(ii)(B).

(7) Definitions

As used in this Condition 4(b)(ii)(B):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied (subject to Condition 4(b)(ii)(B)(3)) to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(I) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(II) if no such recommendation or provision has been made, or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser, determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(III) if the Issuer determines that neither (I) nor (II) above applies, the Issuer, following consultation with the Independent Adviser, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(IV) if the Issuer determines that neither (I) nor (II) above applies and that no industry standard as referred to in (III) above is recognised or acknowledged, the Issuer determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser, determines in accordance with Condition 4(b)(ii)(B)(2) is customarily applied in international debt capital markets transactions for the purposes of determining rates of

interest (or the relevant component part thereof) for an interest period of comparable duration and in the same Specified Currency as the Notes or, if the Issuer (following consultation with the Independent Adviser) determines that there is no such rate, such other rate as the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in its discretion is most comparable to the relevant Original Reference Rate.

"**Benchmark Amendments**" has the meaning given to it in Condition 4(b)(ii)(B)(4).

"**Benchmark Event**" means:

(I) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(II) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(III) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(IV) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(V) a public statement by the supervisor of the administrator of the relevant Original Reference Rate that, in the view of such supervisor, such Original Reference Rate is no longer representative of its relevant underlying market; or

(VI) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate will, on or by a specified date, no longer be representative of its relevant underlying market; or

(VII) it has become unlawful for any Agent or the Issuer to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (II) and (III) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (IV) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraphs (V) and (VI) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser, in each case, with appropriate expertise in capital markets appointed by the Issuer at its own expense under Condition 4(b)(ii)(B)(1) and notified in writing to the Trustee, the Calculation Agent, if applicable, and the Principal Paying Agent.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (or if applicable, any Successor Rate or Alternative Rate (or any component part thereof) determined and applicable to the Notes pursuant to the earlier application of Condition 4(B)).

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body.

(C) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, provided however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means the period of time designated in the Reference Rate.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in

accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

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

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

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

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

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

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

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

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{}$$

360

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30

(F) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

(G) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366.

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

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to trading (if the rules of that stock exchange or other relevant authority so require) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than (a) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such stock exchange of a Rate of Interest and Interest Amount, or (b) in all other cases, the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to trading (if the rules of that stock exchange or other relevant authority so require) and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4*(b)*, by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Principal Paying Agent, the other Agents, the Trustee and all Noteholders and Couponholders and (in

the absence of wilful default, negligence, bad faith or material breach) no liability to the Issuer, the Guarantors, the Trustee, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of interest*

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

5 Payments

(a) *Method of payment*

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(ii) payments in euro will be made by credit or transfer to a euro account (or to any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) *Presentation of definitive Notes and Coupons*

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

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons). Where any definitive Note is presented for redemption without all

unmatured Coupons, and where any definitive Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

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

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

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

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *General provisions applicable to payments*

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

Notwithstanding the foregoing provisions of this Condition 5, if any amount of principal and/or interest in respect of Notes is payable in US dollars, such US dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in US dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or the Guarantors.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day (other than a Saturday or a Sunday) which (subject to Condition 8) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:

(A) in the case of definitive Notes only, the relevant place of presentation;

(B) each Additional Financial Centre (if any) specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is operating.

(f) *Interpretation of principal and interest*

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

(i) any Additional Amounts which may be payable with respect to principal under Condition 7 or pursuant to any undertaking or covenant to pay additional amounts given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) the Clean-Up Redemption Amount (if any) of the Notes; and

(vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 7 or pursuant to any undertaking or covenant to pay additional amounts given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6 Redemption and Purchase

(a) *Redemption at maturity*

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

(b) *Redemption for tax reasons*

(i) Where the Issuer is BATIF

(A) The provisions of this paragraph shall only apply where the Issuer is BATIF.

(B) The Notes may be redeemed in whole but not in part, at the option of the Issuer, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date, upon not more than 30 nor less than 10 days' (or, in each case, such other number of days as specified in the applicable Final Terms) prior notice given in accordance with Condition 13 (which notice will be irrevocable), at their Early Redemption Amount referred to in paragraph *(f)* below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee that, as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official application or interpretation of such laws or regulations, which amendment or change becomes effective on or after the Issue Date of the first Tranche of the Notes, the Issuer will become obliged to pay any Additional Amounts pursuant to Condition 7*(a)* on the next succeeding Interest Payment Date in respect of the Notes; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Immediately prior to the publication of any notice of redemption pursuant to this paragraph *(b)*(i) the Issuer will deliver to the Trustee a certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the same in which event it shall be conclusive and binding on the Noteholders and the Couponholders. Upon the expiry of any notice of redemption pursuant to this paragraph *(b)*(i), the Issuer shall be bound to redeem the Notes as provided herein.

(ii) Where the Issuer is BATCAP

(A) The provisions of this paragraph shall only apply where the Issuer is BATCAP.

(B) The Notes may be redeemed in whole but not in part, at the option of the Issuer, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date, upon not more than 30 nor less than 10 days' (or, in each case, such other number of days as specified in the applicable Final Terms) prior notice given in accordance with Condition 13 (which notice will be irrevocable), at their Early Redemption Amount referred to in paragraph *(f)* below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee that, as a result of any amendment to, or change in, the laws or regulations of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official application or interpretation of such laws or regulations, which amendment or change becomes effective on or after the Issue Date of the first Tranche of the Notes, the Issuer will become obliged to pay any Additional Amounts pursuant to Condition 7*(b)* on the next succeeding Interest Payment Date in respect of the Notes; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts in respect of the Notes were a payment in

respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Immediately prior to the publication of any notice of redemption pursuant to this paragraph *(b)(ii)* the Issuer will deliver to the Trustee a certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the same in which event it shall be conclusive and binding on the Noteholders and the Couponholders. Upon the expiry of any notice of redemption pursuant to this paragraph *(b)(ii)*, the Issuer shall be bound to redeem the Notes as provided herein.

(iii) Where the Issuer is BATNF

(A) The provisions of this paragraph shall only apply where the Issuer is BATNF.

(B) The Notes may be redeemed in whole but not in part, at the option of the Issuer, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date, upon not more than 30 nor less than 10 days' (or, in each case, such other number of days as specified in the applicable Final Terms) prior notice given in accordance with Condition 13 (which notice will be irrevocable), at their Early Redemption Amount referred to in paragraph *(f)* below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, if, as a result of any amendment to, or change in, the laws or regulations of The Netherlands or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official application or interpretation of such laws or regulations, which amendment or change becomes effective on or after the Issue Date of the first Tranche of the Notes, the Issuer will become obliged to pay any Additional Amounts pursuant to Condition 7*(c)* on the next succeeding Interest Payment Date in respect of the Notes; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Immediately prior to the publication of any notice of redemption pursuant to this paragraph *(b)*(iii) the Issuer will deliver to the Trustee a certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the same in which event it shall be conclusive and binding on the Noteholders and the Couponholders. Upon the expiry of any notice of redemption pursuant to this paragraph *(b)*(iii), the Issuer shall be bound to redeem the Notes as provided herein.

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

This Condition 6*(c)* applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an "**Issuer Call**". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6*(c)* for full information on any Issuer Call. In particular, the applicable Final Terms will identify, as applicable, the Optional Redemption Date(s), the Optional Redemption Amount(s) (or, if applicable, that the Optional Redemption Amount(s) applicable to any Optional Redemption Date will be the Spens Amount or the Make-whole Amount), any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as applicable in the applicable Final Terms, the Issuer may (save in respect of any Notes in respect of which a Put Notice has been given pursuant to Condition 6(*e*)), having given:

(i) not less than 10 nor more than 30 days' (or, in each case, such other number of days as specified in the applicable Final Terms) notice to the Noteholders in accordance with Condition 13; and

(ii) not less than 10 days (or such shorter notice period as such party shall accept) before the giving of the notice referred to in paragraph (i) above, notice to the Principal Paying Agent and the Trustee,

(which notices shall be irrevocable (other than in the circumstances set out below) and shall specify the date fixed for redemption) redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) applicable to such Optional Redemption Date together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/ or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). Any such partial redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as specified in the applicable Final Terms. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 14 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph *(c)* and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

If, in respect of any Optional Redemption Date, Spens Amount or Make-whole Amount is specified in the applicable Final Terms as the Optional Redemption Amount, the Optional Redemption Amount per Note shall be equal to the higher of the following:

(i) the nominal amount of the relevant Note; and

(ii)

(A) if Spens Amount is specified in the applicable Final Terms, the nominal amount of the relevant Note multiplied by the price (as reported in writing to the Issuer and the Trustee by the Determination Agent) expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards) at which the Gross Redemption Yield on such Note on the Determination Date specified in the applicable Final Terms (assuming for this purpose the Notes are to be redeemed at their nominal amount on the Spens Call Reference Date) is equal to (I) the Gross Redemption Yield at the Quotation Time specified in the applicable Final Terms on the Determination Date of

the Reference Bond plus (II) any applicable Redemption Margin specified in the applicable Final Terms; or

(B) if Make-whole Amount is specified in the applicable Final Terms, the sum of the then present values of the remaining scheduled payments of principal of the relevant Note and Remaining Term Interest (assuming for this purpose the Notes are to be redeemed at their nominal amount on the Make-whole Reference Date), in each case discounted to the relevant Optional Redemption Date on either an annual basis, a semi-annual basis or such other basis specified as the Discount Basis in the applicable Final Terms (based on the Day Count Fraction specified in the applicable Final Terms) at (I) the Reference Dealer Rate plus (II) any applicable Redemption Margin specified in the applicable Final Terms, all as determined by the Determination Agent.

Any notice of redemption given under Condition 6*(e)* will override any notice of redemption given (whether previously, on the same date or subsequently) under this Condition 6*(c)*.

In this Condition 6*(c)*:

"**DA Selected Bond**" means a government security selected by the Determination Agent as having a maturity date as near as possible to the Make-whole Reference Date or the Spens Call Reference Date, as applicable, and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the relevant Note.

"**Determination Agent**" means an investment banking, accountancy, appraisal or financial advisory firm with international standing that has (in the reasonable opinion of the Issuer) appropriate expertise relevant to the determination required to be made under this Condition 6*(c)* selected by the Issuer.

"**Discount Basis**" shall be as set out in the applicable Final Terms.

"**Gross Redemption Yield**" means, with respect to a security, the yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 4, Section One: Price/Yield Formulae "Conventional Gilts" (published on 8 June 1998 and updated on 15 January 2002, 16 March 2005, 18 December 2024 and as further updated or amended from time to time) on a semi-annual compounding basis (converted (in the case of Notes with annual Interest Payment Dates) to an annualised yield or (in the case of Notes which do not have annual or semi-annual Interest Payment Dates) to a yield on such basis as shall be equivalent to the frequency of interest payments on the Notes (as determined by the Determination Agent) and rounded up (if necessary) to four decimal places) or, if such formula (in the opinion of the Determination Agent) does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent.

"**Make-whole Reference Date**" or "**Spens Call Reference Date**" means the earliest of (i) the Maturity Date, and (ii) such other date (if any) specified as such in the applicable Final Terms.

"**Quotation Time**" shall be as set out in the applicable Final Terms.

"**Redemption Margin**" shall be as set out in the applicable Final Terms.

"**Reference Bond**" means (i) if DA Selected Bond is specified in the applicable Final Terms, the relevant DA Selected Bond or (ii) if DA Selected Bond is not specified in the applicable Final Terms, the government security specified in the applicable Final Terms, or (if such security is no longer in issue or, in the determination of the Determination Agent, with the advice of the Reference Dealers,

is no longer appropriate by reason of illiquidity or otherwise), such other government security with a maturity date as near as possible to the Make-whole Reference Date or the Spens Call Reference Date, as applicable, as the Determination Agent may, with the advice of the Reference Dealers, determine to be appropriate by way of substitution for the original Reference Bond.

"**Reference Dealers**" means each of three banks selected by the Issuer which are (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues.

"**Reference Dealer Rate**" means, with respect to the Reference Dealers and any Optional Redemption Date, the arithmetic average of the three quotations of the mid-market annual or semi-annual yield (as the case may be) to maturity of the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Determination Date specified in the applicable Final Terms and quoted in writing to the Determination Agent by the Reference Dealers.

"**Remaining Term Interest**" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to the Make-whole Reference Date determined on the basis of the rate of interest applicable to such Note from and including the relevant Optional Redemption Date, excluding interest (if any) accrued to (but excluding) the relevant Optional Redemption Date.

(d) *Clean-Up Call Option*

If Clean-Up Call is specified as applicable in the applicable Final Terms and 75 per cent. (or such other amount as specified in the applicable Final Terms) or more in nominal amount of the Notes originally issued (which shall for this purpose include any further Notes issued pursuant to Condition 15) have been redeemed or purchased and cancelled (other than as a result (in whole or in part) of a partial redemption of the Notes at the Spens Amount or the Make-whole Amount pursuant to Condition 6(c)) (the "**Clean-Up Call Threshold Percentage**"), the Issuer may, having given:

(i) not less than 10 nor more than 30 days' (or, in each case, such other number of days as specified in the applicable Final Terms) notice to the Noteholders in accordance with Condition 13; and

(ii) not less than 10 days (or such shorter notice period as such party shall accept) before the giving of the notice referred to in (i), notice to the Principal Paying Agent and the Trustee,

(which notice shall be irrevocable and shall specify the date fixed for redemption) redeem or, at the Issuer's option, purchase (or procure the purchase of) on any Interest Payment Date (if the relevant Note is a Floating Rate Note) or at any time (if the relevant Note is not a Floating Rate Note), all but not some only of the Notes then outstanding at the Clean-Up Redemption Amount specified in the applicable Final Terms together with interest accrued (if any) to (but excluding) the date fixed for redemption.

(e) *Redemption at the option of the Noteholders (Investor Put)*

This Condition 6*(e)* applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an "**Investor Put**". The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6*(e)* for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 10 nor more than 30 days' (or, in each case, such other number of days as specified in the applicable Final Terms) notice (which notice shall be

irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of a Note the holder of this Note must, if the relevant Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by the relevant Note or evidence satisfactory to the Paying Agent concerned that such Note will, following delivery of the Put Notice, be held to its order or under its control. If a Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of such Note the holder must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on its instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the relevant Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

(f) *Early Redemption Amounts*

For the purpose of paragraph *(b)* above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at their nominal amount; or

(iii) in the case of Zero Coupon Notes, at their Early Redemption Amount equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Notes become due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Note payable in a Specified Currency other than Sterling, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Note payable in Sterling, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365).

(g) *Purchases*

The Issuer, the Guarantors or any other subsidiary (as defined in the Trust Deed) of the Issuer or any Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Guarantor, surrendered to any Paying Agent for cancellation.

(h) *Cancellation*

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

(i) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph *(a)*, *(b)*, *(c), (d)* or *(e)* above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph *(f)*(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7 Taxation

(a) *Where the Issuer is BATIF*

(1) The provisions of this paragraph shall only apply where the Issuer is BATIF.

(2) All payments of principal and interest by the Issuer or any Guarantor will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (together, "**Taxes**") of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority thereof or therein having power to levy the same unless such withholding or deduction is required by law. In that event, the Issuer or the relevant Guarantor (as the case may be) shall pay such amounts (the "**Additional Amounts**") as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such Taxes been required to be withheld or deducted; provided that no such Additional Amounts will be payable in respect of Notes or Coupons:

(i) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such withheld or deducted Taxes by reason of its having some connection with the United Kingdom other than the mere holding of a Note or Coupon; or

(ii) to, or to a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United

Kingdom, unless such holder proves that he is not entitled so to comply or to make such declaration or claim; or

(iii) presented for payment in the United Kingdom; or

(iv) presented for payment more than 30 days after the Relevant Date except to the extent that a Noteholder or Couponholder would have been entitled to payment of such Additional Amounts if it had presented its Note or Coupon for payment on the thirtieth day after the Relevant Date.

(b) *Where the Issuer is BATCAP*

(1) The provisions of this paragraph shall only apply where the Issuer is BATCAP.

(2) All payments of principal and interest by the Issuer or any Guarantor will be made without withholding or deduction for or on account of any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United States or any political subdivision thereof or any authority thereof or therein having power to levy the same unless such withholding or deduction is required by law. In that event, the Issuer or the relevant Guarantor (as the case may be) shall pay such Additional Amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such Taxes been required to be withheld or deducted; provided that the foregoing obligations shall not apply to:

(i) any such Taxes which would not have been so imposed but for (i) the existence of any present or former connection between the holder (or between a fiduciary, settlor, beneficiary, member or shareholder of or possessor of a power over such holder, if such holder is an estate, a trust, a partnership or a corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof, or being or having been engaged in a trade or business therein or being or having been present therein, or having or having had a permanent establishment therein, or (ii) such holder's present or former status as a personal holding company, passive foreign investment company, controlled foreign corporation or private foundation or other tax-exempt organisation (in each case, for United States federal income tax purposes), or as a corporation which accumulates earnings to avoid United States federal income taxes;

(ii) any such Taxes which would not have been so imposed but for the presentation of a Note or Coupon for payment more than 30 days after the Relevant Date except to the extent that a Noteholder or Couponholder would have been entitled to payment of such Additional Amounts if it had presented its Note or Coupon for payment on the thirtieth day after the Relevant Date;

(iii) any estate, inheritance, gift, sales, transfer or personal property Taxes or any similar Taxes;

(iv) any such Taxes which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder of a Note or Coupon, if such compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to relief or exemption from such Taxes;

(v) any such Taxes which are payable otherwise than by deduction or withholding from payments in respect of a Note or Coupon;

(vi) any such Taxes imposed on interest received by a ten per cent. shareholder of the Issuer within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the United States Internal Revenue Code of 1986, as amended (the "**Code**") (or any amended or successor provisions);

(vii) any such Taxes imposed by reason of a holder of a Note or Coupon being or having been a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code (or any amended or successor provisions);

(viii) any backup withholding imposed pursuant to Section 3406 of the Code (or any amended or successor provisions);

(ix) any such Taxes imposed pursuant to Section 871(h)(6) or 881(c)(6) of the Code (or any amended or successor provisions); and

(x) any combination of clauses (i) to (ix) above;

nor will any Additional Amounts be paid in respect of a Note or Coupon to any holder who is not a United States Alien or to any United States Alien who is a fiduciary or partnership or person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note or Coupon. The term "**United States Alien**" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust or a foreign partnership any partner of which is for United States federal income tax purposes a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust or any such foreign partnership.

(c) *Where the Issuer is BATNF*

(1) The provisions of this paragraph shall only apply where the Issuer is BATNF.

(2) All payments of principal and interest by the Issuer or any Guarantor will be made without withholding or deduction for or on account of any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision thereof or any authority thereof or therein having power to levy the same unless such withholding or deduction is required by law. In that event, the Issuer or the relevant Guarantor (as the case may be) shall pay such Additional Amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such Taxes been required to be withheld or deducted; provided that no such Additional Amounts will be payable in respect of Notes or Coupons:

(i) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such withheld or deducted Taxes by reason of its having some connection with The Netherlands other than the mere holding of a Note or Coupon; or

(ii) to, or to a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in The Netherlands, unless such holder proves that he is not entitled so to comply or to make such declaration or claim; or

(iii) presented for payment in The Netherlands; or

(iv) presented for payment more than 30 days after the Relevant Date except to the extent that a Noteholder or Couponholder would have been entitled to payment of such Additional Amounts if it had presented its Note or Coupon for payment on the thirtieth day after the Relevant Date; or

(v) to, or to another party on behalf of, a holder if such Additional Amounts are payable for or on account of any Taxes imposed or to be withheld in The Netherlands pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021).*

(d) The Trust Deed contains provisions (mutatis mutandis) to those contained in paragraphs (a), (b) and (c) above in relation to the relevant taxing jurisdiction of each Guarantor.

(e) Notwithstanding any other provision of these Terms and Conditions, any amounts to be paid on any Note or Coupon by or on behalf of the relevant Issuer will be paid net of any deduction or withholding imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions), including any regulations thereunder or official interpretations thereof, or required pursuant to an agreement described in Section 1471(b) of the Code or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation of any of the foregoing (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the relevant Issuer nor any Guarantor nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

(f) For the purpose of this Condition 7, "**Relevant Date**" means, in respect of any payment, the date on which such payment became due and payable or the date on which payment thereof was duly provided for, whichever occurs the later.

8 Prescription

The Notes and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(*b*) or any Talon which would be void pursuant to Condition 5(*b*).

9 Events of Default

(a) The Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified to its satisfaction), (provided that, except in the case of the happening of any of the events mentioned in paragraph (i) below, the Trustee shall have certified in writing to the Issuer that, in its opinion, such event is materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall thereupon immediately become, due and repayable at their Early Redemption Amount referred to in Condition 6(f), together with accrued interest as provided in the Trust Deed, if any of the following events occurs and is continuing (each, an "**Event of Default**"):

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

(ii) default is made by the Issuer or any Guarantor in the performance or observance of any covenant or provision binding on it under or pursuant to the Trust Deed or the Notes (other than a covenant for the payment of principal or interest due on or in respect of the Notes) and (except where the Trustee considers such default to be incapable of remedy when no notice as is referred to below is required, and for this purpose, something shall remain capable of remedy notwithstanding that it was required to have been previously done) such default continues on the thirtieth day after service by the Trustee on the Issuer or, as the case may be, the relevant Guarantor of written notice requiring the same to be remedied (or such later date as the Trustee may permit); or

(iii) any other Borrowed Moneys Indebtedness (as defined below) of either the Issuer or any Guarantor becomes due and repayable by reason of any event of default (howsoever described) prior to its stated date of payment or any other Borrowed Moneys Indebtedness of either the Issuer or any Guarantor is not paid within the longer of seven days of its due date or any applicable grace period therefor (and for such purpose there shall be deemed to be a grace period of not less than seven days in respect of any obligation under any guarantee or indemnity or otherwise as surety), provided that no such event shall constitute an Event of Default unless the Borrowed Moneys Indebtedness either (a) in any particular case amounts to at least £50,000,000 or the equivalent thereof in any other currency, or (b) when aggregated with other Borrowed Moneys Indebtedness then so due and repayable or not so paid amounts to at least £200,000,000 or the equivalent thereof in any other currency; or

(iv) where the Issuer or any Guarantor is incorporated in England and Wales:

(A) an order is made or an effective resolution is passed for the winding-up of the Issuer or a relevant Guarantor, or any similar action is taken in any other jurisdiction; or

(B) a distress or execution or other legal process is levied or enforced against or an encumbrancer takes possession of or a receiver, administrative receiver or other similar officer is appointed of the whole or a part of its assets which is substantial in relation to the Group (as defined below) taken as a whole and is not discharged, stayed, removed or paid out within 45 days after such execution or appointment; or

(C) an administration order is made in relation to the Issuer or a relevant Guarantor which is not discharged, stayed or removed within 45 days of such order being made; or

(v) where the Issuer or the relevant Guarantor is BATCAP:

(A) a decree or order by a court having jurisdiction is entered adjudging BATCAP a bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation of BATCAP under the United States Bankruptcy Code or any other similar federal or state applicable law, and such decree or order is continued undischarged and unstayed for a period of 45 days; or

(B) a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of BATCAP is entered in respect of the whole of its property or a part thereof, which is substantial in relation to the Group taken as a whole, or for the winding-up or liquidation of its affairs, and such decree or order is continued and undischarged and unstayed for a period of 45 days; or

(C) BATCAP institutes proceedings to be adjudicated a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or answer or consent seeking reorganisation under the United States Bankruptcy Code or any other

similar federal or state applicable law, or consents to the filing of any such petition, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of the whole of its property or a part thereof (which part is substantial in relation to the Group taken as a whole) or consents to the winding-up or liquidation of its affairs;

(the terms used in this sub-paragraph (v) shall be construed as they would be in the context of a proceeding instituted and conducted pursuant to the United States Bankruptcy Code or any other similar Federal or state applicable law); or

(vi) where the Issuer or the relevant Guarantor is BATNF:

(A) an order is made or an effective resolution is passed for the winding-up of BATNF or any similar action is taken in any other jurisdiction, including, without limitation, an application being made by BATNF for a '*surseance van betaling*' (within the meaning of The Netherlands Bankruptcy Code (*Faillissementswet*)); or

(B) a distress or execution or other legal process is levied or enforced against or an encumbrancer takes possession of or a receiver, administrative receiver or other similar officer is appointed of the whole or a part of its assets which is substantial in relation to the Group taken as a whole and is not discharged, stayed, removed or paid out within 45 days after such execution or appointment; or

(C) an administration order is made in relation to BATNF which is not discharged, stayed or removed within 45 days of such order being made; or

(vii) either the Issuer or any Guarantor:

(A) admits in writing its inability to pay its debts generally as they fall due or makes or enters into a general assignment or composition with or for the benefit of its creditors generally; or

(B) stops or threatens to stop payment of its obligations generally or ceases or threatens to cease to carry on its business (except in either case for the purposes of amalgamation, reconstruction or corporate reorganisation, the terms of which shall have been previously approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders); or

(viii) for any reason whatsoever any guarantee ceases to be binding on and enforceable against the relevant Guarantor other than with the prior written consent of the Trustee or the sanction of an Extraordinary Resolution of the Noteholders.

For this purpose, "**Borrowed Moneys Indebtedness**" means, in relation to any person, any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent comprising or constituted by:

(A) any liability to repay the principal of or to pay interest on borrowed money or deposits; or

(B) any liability (i) under or pursuant to any (a) letter of credit, (b) acceptance credit facility or (c) note purchase facility; or (ii) in relation to (a) any foreign currency transaction or (b) any liability in respect of any purchase price for property or services payment of which is deferred for a period in excess of 180 days after the later of taking possession or becoming the legal owner thereof; or (iii) with regard to any guarantee or indemnity in respect of repayment of obligations as referred to in (i) and (ii) above or of any other borrowed money,

provided that nothing in Condition 9*(a)*(iv), (v), (vi) or (vii) shall apply to any matter or event resulting from or in connection with a disposal or divestiture of all or part of the interests in financial services businesses of the Group or any reconstruction, amalgamation or corporate reorganisation (or any similar action in any other jurisdiction), the terms of which shall have been approved by the Trustee in writing or by an Extraordinary Resolution of the Noteholders.

For the purposes of these Terms and Conditions, "**Group**" means British American Tobacco and its Subsidiaries together with its or their ultimate Holding Company (if any) (as defined in the Trust Deed) and any such ultimate Holding Company's Subsidiaries.

(b) At any time after the Notes become due and repayable pursuant to paragraph (a) of this Condition the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or any Guarantor as it may think fit to enforce payment of the Notes, but it shall not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer or any relevant Guarantor unless the Trustee, having become bound to proceed, fails or is unable to do so within 60 days and such failure or inability is continuing.

10 Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity the Issuer may reasonably require. Mutilated or defaced Notes Coupons or Talons must be surrendered before replacements will be issued.

11 Agents

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(i) there will at all times be a Paying Agent;

(ii) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or any other relevant authority; and

(iii) there will at all times be a Paying Agent with a specified office in a city approved by the Trustee in Western Europe outside the United Kingdom and The Netherlands.

In addition, the Issuer and the Guarantors shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5*(d)*. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantors and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders.

12 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13 Notices

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with a Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to a Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the relevant Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14 Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings (including by way of audio or video conference call) of the Noteholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, any Guarantor or the Trustee and shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction) be convened by the Trustee upon a request by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons) the quorum shall be one or more persons holding or representing not less than three-fourths in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than

one-fourth in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders. Notwithstanding the foregoing, a resolution by way of electronic consents given through the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding or in writing signed by persons holding or representing not less than 75 per cent. of the nominal amount of the Notes for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of applicable law. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(b)(ii)(B)(4) without the consent of the Noteholders or the Couponholders.

The Trustee may also agree without the consent of the Noteholders or Couponholders, to the substitution (i) in place of the Issuer as the principal debtor under the Notes and the Trust Deed of any Guarantor or any successor in business or Holding Company of any Guarantor or any other subsidiary of any Guarantor, such successor in business or such Holding Company provided that all payments in respect of the Notes continue to be unconditionally and irrevocably guaranteed by each Guarantor or the successor in business or Holding Company of each Guarantor in the manner provided in the Trust Deed (or, where a Guarantor or its successor in business or Holding Company is the new principal debtor, by the other Guarantors or their successors in business or Holding Companies); or (ii) in place of any Guarantor as guarantor of the Notes under the Trust Deed, of any successor in business or Holding Company of any Guarantor. In the case of any proposed substitution, the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders or the Couponholders.

Any such modification, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, any such modification, waiver, authorisation, determination or substitution shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders and Couponholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, any Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

15 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series where the Trustee so decides.

16 Indemnification of the Trustee and its Contracting with the Issuer and the Guarantors

The Trust Deed contains provisions for the indemnification, the prefunding and/or the provision of security for the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any Guarantor and/or any Subsidiaries of any of them and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any Guarantor and/or any Subsidiaries of any of them, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18 Governing Law and Submission to Jurisdiction

(a) **Governing Law:** The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** Subject as provided below, the English courts are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes and the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") and that accordingly any suit, action or proceedings arising out of or in connection with the Trust Deed, the Notes and the Coupons (including any proceedings relating to any non-contractual obligations arising out of or in connection with them) (together, referred to as "**Proceedings**") may be brought in such courts and accordingly each of the Issuer and the Guarantors and any Noteholders or Couponholders in relation to any Dispute submits to the jurisdiction of the English courts.

For the purposes of this Condition 18(b), each of the Issuer and the Guarantors waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may also:

(i) in respect of any Dispute or Disputes against BATNF, take (A) Proceedings in any court of competent jurisdiction of members of the European Union in accordance with the Brussels Ia

Regulation or of states that are parties to the Lugano II Convention; and (B) concurrent proceedings in any number of jurisdictions identified in this sub-paragraph (i); or

(ii) in respect of any Dispute or Disputes against the Issuer or any Guarantor, in each case, other than BATNF, take (A) Proceedings in any other court with jurisdiction and (B) concurrent proceedings in any number of jurisdictions.

In this Condition 18(b):

"**Brussels Ia Regulation**" means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, as amended; and

"**Lugano II Convention**" means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007.

(c) **Service of Process**: Each of BATNF and BATCAP has in the Trust Deed appointed British American Tobacco at its registered office for the time being (being at the date of this Base Prospectus at Globe House, 4 Temple Place, London WC2R 2PG) as its agent for service of process, and undertaken that, in the event of British American Tobacco ceasing so to act or ceasing to be registered in England, each of BATNF and BATCAP will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) **Other Documents**: The Issuer and the Guarantors have in the Trust Deed and the Agency Agreement submitted to the jurisdiction of English courts and (where applicable) appointed an agent for service of process in terms substantially similar to those set out above.

TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

The following (save for the text in italics) are the Terms and Conditions of the Subordinated Notes which will be incorporated by reference into each Global Note representing each Series of Subordinated Notes and each definitive Note (each as defined below) issued in exchange for any such Global Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. Part A of the applicable Final Terms in relation to any Tranche (as defined below) of Subordinated Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, complete the following Terms and Conditions for the purpose of such Subordinated Notes. Part A of the applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note representing each Series of Subordinated Notes and each definitive Note issued in exchange for any such Global Note. The following Terms and Conditions shall be applicable to those Notes which are specified to be "Subordinated Notes" in the applicable Final Terms. References in the following Terms and Conditions to "Notes" are to the Subordinated Notes of one Series only, not to all Notes that may be issued under the Programme. Reference should be made to the "Form of Final Terms for Subordinated Notes" for the form of Final Terms which will specify which of such terms are to apply in relation to the relevant Subordinated Notes.

This Note is one of a Series (as defined below) of Notes issued by British American Tobacco p.l.c. (the "**Issuer**") constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 6 July 1998 made between, *inter alios*, the Issuer and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include any successor as trustee).

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

(i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(ii) any Global Note; and

(iii) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 18 March 2026 and made between the same parties as are parties to the Trust Deed, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agent named therein (such paying agent, together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agent). The calculation agent for the time being (as initially specified in the applicable Final Terms) is referred to below as the "**Calculation Agent**", which expression shall include any additional or successor calculation agent, and the Calculation Agent together with the Paying Agents, the "**Agents**".

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

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions and may specify other

terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, complete these Terms and Conditions for the purposes of this Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

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

Copies of the Trust Deed, the Agency Agreement and the applicable Final Terms (i) are available for inspection during normal business hours at the registered office for the time being of the Trustee (presently being at Eighth Floor, 100 Bishopsgate, London EC2N 4AG) and at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee or any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Paying Agent, as the case may be). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of and definitions contained in the Trust Deed.

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

In these Terms and Conditions, "**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1 Form, Denomination and Title

The Notes are issued by the Issuer in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms, provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

The Notes are Reset Rate Notes.

This Note may be a Deeply Subordinated Note or an Ordinary Subordinated Note (each as defined below) depending on the Status of the Notes specified in the applicable Final Terms. Definitive Notes are issued with Coupons attached.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing

thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

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

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

2 Status of the Notes

(a) *Deeply Subordinated Notes*

This Condition 2(a) applies only if the applicable Final Terms specifies that the Notes are Deeply Subordinated Notes (such Notes, the "**Deeply Subordinated Notes**").

The Deeply Subordinated Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference or priority among themselves and *pari passu* with any Parity Obligations (as defined below).

(b) *Ordinary Subordinated Notes*

This Condition 2(b) applies only if the applicable Final Terms specifies that the Notes are Ordinary Subordinated Notes (such Notes, the "**Ordinary Subordinated Notes**").

The Ordinary Subordinated Notes and any relative Coupons constitute direct, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference or priority among themselves and *pari passu* with any Parity Obligations.

The rights and claims of the Noteholders and the Couponholders against the Issuer are subordinated as described in Condition 3(a) or Condition 3(b) (as applicable) and the Trust Deed.

3 Subordination

(a) *Deeply Subordinated Notes*

This Condition 3(a) applies only if the applicable Final Terms specifies that the Notes are Deeply Subordinated Notes.

In the event of:

(i) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation,

reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business (as defined below) of the Issuer, (A)(x) the terms of which reorganisation, reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) or (y) which substitution will be effected in accordance with Condition 18; and (B) in each case the terms of which do not provide that the Deeply Subordinated Notes shall thereby become redeemable or repayable in accordance with these Terms and Conditions); or

(ii) an administrator of the Issuer being appointed and such administrator giving notice that it intends to declare and distribute a dividend,

there shall be payable by the Issuer in respect of each Deeply Subordinated Note and (if applicable) any matured but unpaid Coupon (including any accrued but unpaid Deferred Interest in respect of such Coupon), in lieu of any other payment by the Issuer, such amounts, if any, as would have been payable to the relevant Noteholder and (if applicable) Couponholder thereof if, on the day prior to the commencement of the winding-up or such administration, as the case may be, and thereafter, such Noteholder and (if applicable) Couponholder were the holder of one of a class of preference shares in the capital of the Issuer ("**Notional Preference Shares**") having an equal right to a return of assets in the winding-up or such administration, as the case may be, and so ranking *pari passu* with, the holders of Parity Obligations, and ranking ahead of the holders of all Junior Obligations (as defined below), but ranking junior to the claims of holders of all Senior Obligations (as defined below) (except as otherwise provided by mandatory provisions of law), on the assumption that the amounts that such Noteholder and (if applicable) Couponholder were entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up or such administration, as the case may be, were, in the case of a Deeply Subordinated Note, an amount equal to the nominal amount of the relevant Deeply Subordinated Note and, in the case of a Coupon, any accrued and unpaid interest represented by such Coupon (including any accrued but unpaid Deferred Interest in respect of such Coupon) (and, in the case of an administration, on the assumption that holders of preference shares were entitled to claim and recover in respect of their preference shares to the same degree as in a winding-up).

Accordingly, the claims of holders of all applicable Senior Obligations will first have to be satisfied in any winding-up or analogous proceedings of the Issuer before the Noteholders or (if applicable) Couponholders may expect to obtain from the Issuer any recovery in respect of their Notes or matured but unpaid Coupons (including any accrued but unpaid Deferred Interest in respect of such Coupons), as the case may be, and prior thereto any Noteholder or (if applicable) Couponholder will have only limited ability to influence the conduct of such winding-up or analogous proceedings. See "Risk Factors – BAT's obligations in respect of the Subordinated Notes are subordinated ".

(b) *Ordinary Subordinated Notes*

This Condition 3(b) applies only if the applicable Final Terms specifies that the Notes are Ordinary Subordinated Notes.

In the event of:

(i) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, (A)(x) the terms of which reorganisation, reconstruction, amalgamation or substitution have previously been approved in writing by the Trustee or by an Extraordinary Resolution or (y) which substitution will be effected in accordance with Condition 18; and (B) in each case the terms of which do not provide that the Ordinary

Subordinated Notes shall thereby become redeemable or repayable in accordance with these Terms and Conditions); or

(ii) an administrator of the Issuer being appointed and such administrator giving notice that it intends to declare and distribute a dividend,

the rights and claims of the holders of each Ordinary Subordinated Note and (if applicable) any matured but unpaid Coupon (including any accrued but unpaid Deferred Interest in respect of such Coupon) against the Issuer shall be for an amount equal to the nominal amount of the relevant Ordinary Subordinated Note and, in the case of a Coupon, any accrued and unpaid interest represented by such Coupon (including any accrued but unpaid Deferred Interest in respect of such Coupon), provided however that such rights and claims will be subordinated, in the manner provided in this Condition 3(b) and in the Trust Deed, to the claims of holders of all Senior Obligations of the Issuer but shall rank (a) at least *pari passu* with the claims of holders of all Parity Obligations and (b) in priority to the claims of holders of all Junior Obligations.

Accordingly, the claims of holders of all applicable Senior Obligations will first have to be satisfied in any winding-up or analogous proceedings of the Issuer before the Noteholders or (if applicable) Couponholders may expect to obtain from the Issuer any recovery in respect of their Notes or matured but unpaid Coupons (including any accrued but unpaid Deferred Interest in respect of such Coupons), as the case may be, and prior thereto any Noteholder or (if applicable) Couponholder will have only limited ability to influence the conduct of such winding-up or analogous proceedings. See "Risk Factors – BAT's obligations in respect of the Subordinated Notes are subordinated".

(c) *No Set-off, etc.*

Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes or the Coupons and each Noteholder and Couponholder shall, by virtue of their holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder or Couponholder in respect of or arising under or in connection with the Notes are discharged by set-off, such Noteholder or Couponholder, as the case may be, will, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator, trustee, receiver or administrator in the Issuer's winding-up or administration. Accordingly, any such discharge will be deemed not to have taken place.

(d) *Definitions*

In these Terms and Conditions:

"**Junior Obligations**" means:

(i) in the case of any Deeply Subordinated Notes, any ordinary shares in the capital of the Issuer and any other securities or obligations issued or owed by the Issuer (including guarantees or indemnities or support arrangements given by the Issuer in respect of securities or obligations owed by other persons) which rank, or are expressed to rank, *pari passu* with such ordinary shares; and

(ii) in the case of any Ordinary Subordinated Notes, (A)(x) any shares in the capital of the Issuer (including preference shares in the capital of the Issuer (if any)) and (y) any subordinated obligations of the Issuer, issued directly or indirectly by it, other than the Ordinary Subordinated Notes and any Parity Obligations; and (B) any obligations of any Subsidiaries

of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with (x) any shares in the capital of the Issuer (including preference shares in the capital of the Issuer (if any)) and (y) any subordinated obligations of the Issuer, other than the Ordinary Subordinated Notes and any Parity Obligations (for the avoidance of doubt, in the case of any Ordinary Subordinated Notes, Junior Obligations includes Deeply Subordinated Notes);

"**Parity Obligations**" means (if any):

(i) in the case of any Deeply Subordinated Notes, the most junior class of preference share capital in the Issuer ranking ahead of the ordinary shares in the capital of the Issuer and any other obligations of (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Deeply Subordinated Notes or such preference shares or (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks, or is expressed to rank, *pari passu* with the Deeply Subordinated Notes or such preference shares; and

(ii) in the case of any Ordinary Subordinated Notes, (a) any obligations of the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Ordinary Subordinated Notes and (b) any obligations of any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks, or is expressed to rank, *pari passu* with the Ordinary Subordinated Notes;

"**Senior Obligations**" means, in the case of any Notes, all obligations of the Issuer, issued directly or indirectly by it, other than applicable Parity Obligations and applicable Junior Obligations (for the avoidance of doubt, in the case of any Deeply Subordinated Notes, Senior Obligations includes any Ordinary Subordinated Notes);

"**Subsidiary**" means a subsidiary within the meaning of Section 1159 of the Companies Act 2006 and "**Subsidiaries**" shall be construed accordingly; and

a "**successor in business**" means a company which has acquired as a going concern all or substantially all of the undertaking, assets and liabilities of the Issuer.

The outstanding Deeply Subordinated Notes and Ordinary Subordinated Notes, as well as any notes or bonds which rank pari passu therewith, howsoever named, as at the time of issuance will be specified in Part B of the applicable Final Terms as "Outstanding Deeply Subordinated Notes" and "Outstanding Ordinary Subordinated Notes", respectively.

4 Interest

(a) *Rate of Interest*

Each Note bears interest on its outstanding nominal amount as follows (unless a Benchmark Event has occurred, in which case the First Reset Rate of Interest and/or any Subsequent Reset Rate of Interest, as applicable, shall be determined pursuant to and in accordance with Condition 4(b)):

(i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date, at the Initial Rate of Interest;

(ii) for the First Reset Period, at the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

and such interest shall (subject to Condition 5) be payable in arrear on each Interest Payment Date specified in the applicable Final Terms, commencing on the first Interest Payment Date following

the Interest Commencement Date (each as specified in the applicable Final Terms). The amount of interest payable on each Note for any Interest Period (or any other Interest Accrual Period) shall be determined in accordance with Condition 4(d).

(b) *Benchmark Discontinuation*

(i) *Independent Adviser*

Notwithstanding the provisions in this Condition 4, if the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(b)(ii)) and, in either case, an Adjustment Spread (in accordance with and subject to Condition 4(b)(iii)) and any Benchmark Amendments (in accordance with Condition 4(b)(iv)).

In advising the Issuer, the Independent Adviser appointed pursuant to this Condition 4(b)(i) shall act in good faith as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, any Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(b).

If, following the occurrence of a Benchmark Event (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(i), in each case prior to the relevant Reset Interest Determination Date in respect of a relevant Reset Period, the Rate of Interest (or relevant component thereof) applicable to such Reset Period shall be determined using the Original Reference Rate with the effect that the fallback provisions provided for in the relevant definitions in Condition 4(h) continue to apply to such determination. For the avoidance of doubt, this paragraph shall apply to the determination of the Rate of Interest applicable to the next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as earlier provided in this Condition 4(b)(i).

(ii) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser, determines that:

(A) there is a Successor Rate, then such Successor Rate and (subject to Condition 4(b)(iii)) the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest (as applicable) (or the relevant component part thereof) for all relevant future payments of interest on the Notes from the end of the then current Reset Period (or, in respect of a determination made prior to the First Reset Date, from the start of the First Reset Period) onwards (subject in each case to the subsequent operation of this Condition 4(b)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and (subject to Condition 4(b)(iii)) the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest (as applicable) (or the relevant component part thereof) for all relevant future payments of interest on the Notes from the end of the then current Reset Period (or, in respect of

a determination made prior to the First Reset Date, from the start of the First Reset Period) onwards (subject to the subsequent operation of this Condition 4(b)).

(iii) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied (subject to the proviso in the following sentence) to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case (subject to Condition 4(b)(iii)), the applicable Adjustment Spread is determined in accordance with this Condition 4(b) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (a) that amendments to these Terms and Conditions, the Agency Agreement, (if applicable) any calculation agency agreement (a "**Calculation Agency Agreement**") and/or the Trust Deed are necessary to follow market practice or to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (or any combination thereof) (such amendments, the "**Benchmark Amendments**") and (b) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(b)(v), without any requirement for the consent or approval of the Noteholders or the Couponholders, vary these Terms and Conditions, the Agency Agreement, the Calculation Agency Agreement and/or the Trust Deed (as applicable) to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Calculation Agent and the Principal Paying Agent of a certificate signed by one director of the Issuer pursuant to Condition 4(b)(v), the Trustee, the Calculation Agent and the Principal Paying Agent shall (at the request and expense of the Issuer), without any requirement for the consent or approval of the Noteholders or the Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a supplement to or document amending the Trust Deed, the Calculation Agency Agreement and/or the Agency Agreement (as applicable)) and the Trustee, the Calculation Agent and the Principal Paying Agent shall not be liable to any person for any consequence thereof, provided that neither the Trustee nor the Calculation Agent nor the Principal Paying Agent shall be obliged so to concur if in the opinion of the Trustee, the Calculation Agent or the Principal Paying Agent (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to the Trustee, the Calculation Agent or the Principal Paying Agent (as applicable) in these Terms and Conditions, the Agency Agreement, the Calculation Agency Agreement or the Trust Deed (as applicable) (including, for the avoidance of doubt, any supplemental trust deed, supplemental agency agreement or supplemental calculation agency agreement (as applicable)) in any way.

In connection with any such variation in accordance with this Condition 4(b)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 4(b), no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (a) result in a reduction of the amount of equity credit assigned by any Rating Agency to the Notes immediately prior to the occurrence of the relevant Benchmark Event, or otherwise prejudice the eligibility of the Notes for equity credit from any Rating Agency and/or (b) result in the Notes no longer being recorded as a "financial liability" (if "financial liability" is specified as the Accounting Treatment in the applicable Final Terms) or "equity" (if "equity" is specified as the Accounting Treatment in the applicable Final Terms), as the case may be, in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to the UK-IFRS or any other accounting standards that may replace the UK-IFRS for the purposes of preparing the audited annual or the semi-annual consolidated financial statements of the Issuer.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(b) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Principal Paying Agent and, in accordance with Condition 17, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee, the Calculation Agent and the Principal Paying Agent of the same, the Issuer shall deliver to the Trustee, the Calculation Agent and the Principal Paying Agent a certificate signed by one director of the Issuer:

(A) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) any applicable Adjustment Spread and (d) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(b); and

(B) certifying that the Benchmark Amendments (if any) are necessary to follow market practice or, as applicable, to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) any applicable Adjustment Spread or any combination thereof (as applicable).

The Trustee, the Calculation Agent and the Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's, the Calculation Agent's and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Principal Paying Agent, the Noteholders and the Couponholders. For the avoidance of doubt, none of the Trustee, the Calculation Agent or the Principal Paying Agent shall be liable to the Noteholders or any other person for so acting or relying on such certificate.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 4(b)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in the relevant definitions in Condition 4(h) and Clause 8.2 of the Agency Agreement will continue to apply unless and until the Issuer determines that a Benchmark Event has occurred and the Trustee, the

Calculation Agent and the Principal Paying Agent have been notified of the Successor Rate or the Alternative Rate (as the case may be) and the Adjustment Spread (if applicable) and any Benchmark Amendments in accordance with this Condition 4(b).

(c) *Accrual of Interest*

Each Note will cease to bear interest from (and including) the date of redemption pursuant to the relevant paragraph of Condition 7 or the date of its substitution pursuant to Condition 8, as the case may be, unless, upon due presentation thereof, payment of all amounts due in respect of such Note is improperly withheld or refused. In such event, interest (including on any Deferred Interest Payment (as defined below)) shall continue to accrue in respect of the nominal amount of, and any other unpaid amounts on, the Notes, both before and after judgment, and shall be payable, as provided in these Terms and Conditions up to (but excluding) the Relevant Date.

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

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

The Calculation Agent will cause the Reset Rate of Interest for the relevant Reset Period to be notified to the Issuer and the Principal Paying Agent as soon as practicable after determining the same.

While Condition 4(a)(i) applies, if the Notes are in definitive form, except as otherwise provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount (if any) specified in the applicable Final Terms. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

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

(A) in the case of Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Notes in definitive form, the Calculation Amount;

and in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of any Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(e) *Notification of Reset Rate of Interest and Interest Amounts*

Unless the Notes are to be redeemed on or prior to a Reset Date, the Issuer shall cause notice of the Reset Rate of Interest applicable to the Reset Period commencing on such Reset Date and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be given to the Trustee, the Agents, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 17, the Noteholders, in each case as soon as

practicable after their determination but in any event not later than the fourth Business Day thereafter.

(f) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 whether by the Principal Paying Agent or, if applicable, the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the other Paying Agents, the Calculation Agent and all Noteholders and Couponholders and (in the absence of wilful default, negligence, bad faith or material breach) no liability to the Issuer, the Trustee, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) *Calculation Agent*

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Calculation Agent with another independent financial institution. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent, fails to determine a Reset Rate of Interest, calculate the related Interest Amount or otherwise act in accordance with these Terms and Conditions, the Agency Agreement and, if applicable, the Calculation Agency Agreement, the Issuer shall forthwith appoint another independent financial institution approved in writing by the Trustee to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) *Definitions*

As used in these Terms and Conditions:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied (subject to Condition 4(b)(iii)) to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) if no such recommendation or provision has been made, or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser, determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) if the Issuer determines that neither (i) nor (ii) above applies, the Issuer, following consultation with the Independent Adviser, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(iv) if the Issuer determines that neither (i) nor (ii) above applies and that no industry standard as referred to in (iii) above is recognised or acknowledged, the Issuer determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the

replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser, determines in accordance with Condition 4(b)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining resettable rates of interest (or the relevant component part thereof) for a reset period of comparable duration and in the same Specified Currency as the Notes or, if the Issuer (following consultation with the Independent Adviser) determines that there is no such rate, such other rate as the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in its discretion is most comparable to the relevant Original Reference Rate;

"**Benchmark Amendments**" has the meaning given to it in Condition 4(b)(iv);

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

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

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is no longer representative of its relevant underlying market; or

(vi) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate will, on or by a specified date, no longer be representative of its relevant underlying market; or

(vii) it has become unlawful for any Agent or the Issuer to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraphs (v) and (vi) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

"**Benchmark Frequency**" has the meaning given to it in the applicable Final Terms;

"**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security having an actual or interpolated maturity date on or about the last day of such Reset Period as the Issuer, on the advice of an investment bank or financial adviser of international repute, may

determine would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in sterling;

"**Benchmark Gilt Quotations**" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (converted, if necessary, to an annualised yield rounded up to four decimal places) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank on a dealing basis for settlement on the next following Dealing Day;

"**Benchmark Gilt Rate**" means, in respect of a Reset Period, the percentage rate (rounded, if necessary, to the third decimal place (0.0005 per cent. being rounded upwards)) determined by the Calculation Agent on the basis of the Benchmark Gilt Quotations provided (upon request by, or on behalf of, the Issuer) by the Reset Reference Banks to the Issuer and by the Issuer to the Calculation Agent at approximately 11:00 a.m. (London time) on the Reset Interest Determination Date in respect of such Reset Period. If at least four quotations are provided, the Benchmark Gilt Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the relevant Benchmark Gilt Rate determined in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, the percentage rate specified in the applicable Final Terms as the "First Reset Period Fallback";

"**Broken Amount**" has the meaning given to it in the applicable Final Terms;

"**Business Day**" means a day (other than a Saturday or a Sunday) which is both:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (if any) specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is operating (a "**T2 Business Day**"); "**Calculation Amount**" has the meaning given to it in the applicable Final Terms;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Accrual Period:

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Interest Payment Date (or, if none, the Interest Commencement Date), the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in one calendar year;

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360; and

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

"**Dealing Day**" means a day, other than a Saturday or Sunday, on which the London Stock Exchange (or such other stock exchange on which the Benchmark Gilt is at the relevant time listed) is ordinarily open for the trading of securities;

"**Determination Date**" means the date specified in the applicable Final Terms;

"**Determination Period**" means the period from (and including) a Determination Date to (but excluding) the next Determination Date;

"**equity credit**" means "equity credit" or such other nomenclature that a Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share;

"**First Margin**" means the margin (expressed as a percentage) specified as such in the applicable Final Terms;

"**First Reset Date**" means the date specified as such in the applicable Final Terms;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the first (or only) Subsequent Reset Date or, if no such Subsequent Reset Date is specified in the applicable Final Terms, the Maturity Date or the date of redemption or substitution of all of the Notes;

"**First Reset Period Fallback**" has the meaning given to it in the applicable Final Terms;

"**First Reset Rate of Interest**" means the rate of interest being determined by the Calculation Agent on the relevant Reset Interest Determination Date as the sum of the relevant Reset Rate plus the First Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the First Reset Period (such calculation to be made by the Calculation Agent));

"**Fixed Coupon Amount**" has the meaning given to it in the applicable Final Terms;

"**Fixed Leg**" has the meaning given to it in the applicable Final Terms;

"**Floating Leg**" has the meaning given to it in the applicable Final Terms;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser, in each case, with appropriate expertise in capital markets appointed by the Issuer at its own expense under Condition 4(b)(i) and notified in writing to the Trustee, the Calculation Agent and the Principal Paying Agent;

"**Initial Rate of Interest**" means the Initial Rate of Interest specified in the applicable Final Terms;

"**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the Notes become due and payable in accordance with Condition 13, shall be the date on which the Notes become due and payable);

"**Interest Amount**" means, in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period;

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

"**Interest Payment Date**" means the date(s) specified as such in the applicable Final Terms;

"**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

"**London Banking Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**Maturity Date**" has the meaning given to it in the applicable Final Terms;

"**Mid-Swap Rate**" means in respect of a Reset Period, (i) the applicable semi-annual or annual (as specified in the applicable Final Terms) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified in the applicable Final Terms) as displayed on the Mid-Swap Screen Page at 11.00 a.m. (in the principal financial centre of the Specified Currency) on the relevant Reset Interest Determination Date or (ii) if such rate is not displayed on the Mid-Swap Screen Page at such time and date, the relevant Reset Reference Bank Rate;

"**Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates for the Fixed Leg (as set out in the applicable Final Terms) of a fixed-for-floating interest rate swap transaction in the Specified Currency which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market, and (iii) has a floating leg based on the Floating Leg (as set out in the applicable Final Terms);

"**Mid-Swap Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms or such other page, section, caption, column or other part as may replace it on the relevant 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 rates or yields (as the case may be) comparable to the applicable Reset Rate;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (or, if applicable, any Successor Rate or Alternative Rate (or any component part thereof) determined and applicable to the Notes pursuant to the earlier application of Condition 4(b));

"**Rate of Interest**" means the Initial Rate of Interest, the First Reset Rate of Interest and/or each Subsequent Reset Rate of Interest, as the case may be;

"**Relevant Date**" means:

(i) in respect of any payment other than a sum to be paid by the Issuer in a winding-up or administration of the Issuer the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Principal Paying Agent or the Trustee on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 17; and

(ii) in respect of any sum (a) to be paid by or on behalf of the Issuer in a winding-up of the Issuer or (b) if following the appointment of an administrator of the Issuer the administrator gives notice of an intention to declare and distribute a dividend, to be paid by the administrator by way of such dividend, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

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

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

"**Reset Date**" means the First Reset Date and/or each Subsequent Reset Date, as the case may be;

"**Reset Interest Determination Date**" means, in respect of a Reset Period, (a) each date specified in the applicable Final Terms or, if none is so specified, (b) (i) if the Specified Currency is sterling, the day falling two London Banking Days prior to the first day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two T2 Business Days prior to the first day of such Reset Period or (iii) for any other Specified Currency, the day falling two Business Days in the principal financial centre for such Specified Currency prior to the first day of such Reset Period;

"**Reset Period**" means the First Reset Period and/or each Subsequent Reset Period, as the case may be;

"**Reset Rate**" means (a) if "Mid-Swap Rate" is specified in the applicable Final Terms, the relevant Mid-Swap Rate or (b) if "Benchmark Gilt Rate" is specified in the applicable Final Terms, the relevant Benchmark Gilt Rate;

"**Reset Rate of Interest**" means the First Reset Rate of Interest and/or each Subsequent Reset Rate of Interest, as the case may be;

"**Reset Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the basis of the Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Issuer (who will then notify the Calculation Agent of such quotations) at or around 11:00 a.m. in the principal financial centre of the Specified Currency on the relevant Reset Interest Determination Date.

If (a) at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); if fewer than three quotations are provided, and if the International Swaps and Derivatives Association, Inc. ("**ISDA**") has published a fallback provision for the determination of the applicable Mid-Swap Rate Quotation at the relevant time, the Calculation Agent will determine the Reset Reference Bank Rate on the basis of such fallback provision. If ISDA has not published such a fallback provision at the relevant time, the following shall apply: if only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the applicable Reset Reference Bank Rate shall be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the relevant Mid-Swap Rate in respect of the immediately preceding Reset Period; or (ii) in the case of the Reset Period commencing on the First Reset Date, the percentage rate specified in the applicable Final Terms as the "First Reset Period Fallback";

"**Reset Reference Banks**" means (i) in the case of the calculation of a Reset Reference Bank Rate where "Mid-Swap Rate" is specified in the applicable Final Terms, five leading swap dealers in the principal interbank market relating to the Specified Currency or (ii) in the case of the calculation of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers, in each case, as selected by the Issuer;

"**Specified Currency**" means the currency specified in the applicable Final Terms or, if none is specified, the currency in which the Notes are denominated;

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

"**Subsequent Margin**" means, in respect of a Subsequent Reset Period, the relevant margin (expressed as a percentage) specified in the applicable Final Terms as applying to such Subsequent Reset Period;

"**Subsequent Reset Date**" means the date or dates specified as such in the applicable Final Terms;

"**Subsequent Reset Period**" means the period from (and including) the first (or only) Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) or, if there is no such succeeding Subsequent Reset Date, the Maturity Date or the date of redemption or substitution of all of the Notes, and if applicable, each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date or, if there is no such Subsequent Reset Date, the Maturity Date or the date of redemption or substitution of all of the Notes;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period, the rate of interest being determined by the Calculation Agent on the relevant Reset Interest Determination Date as the sum of the relevant Reset Rate plus the relevant Subsequent Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the relevant Subsequent Reset Period (such calculation to be made by the Calculation Agent));

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended, or formally provided as an option for parties to adopt, by any Relevant Nominating Body;

"**Swap Rate Period**" means the period or periods specified in the applicable Final Terms; and

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor to or replacement for that system.

5 Optional Interest Deferral

(a) *Deferral of Payment of Interest Amounts*

The Issuer may, at its discretion, elect to defer payment of all or part of any Interest Amount (any such deferred payment of an Interest Amount, a "**Deferred Interest Payment**") which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (a "**Deferral Notice**") of such election to the Noteholders in accordance with Condition 17, the Trustee and the Principal Paying Agent not more than 30 nor less than 5 Business Days prior to the relevant Interest Payment Date. Subject to Condition 5(c), if the Issuer elects not to make payment of all or part of any Interest Amount on an Interest Payment Date in accordance with this Condition 5(a), then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute a default or any other breach by the Issuer of its obligations under the Notes or for any other purpose.

Any Deferred Interest Payment shall itself bear interest (such further interest, together with the Deferred Interest Payment, being "**Deferred Interest**"), at the Rate of Interest prevailing from time to time, from (and including) the date on which (but for such deferral) the relevant Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Interest Settlement Date (as defined below) or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 5(c), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Deferred Interest (or part thereof) shall not constitute a default by the Issuer under the Notes or for any other purpose, unless such payment is required in accordance with Condition 5(c).

(b) *Optional Payment of Deferred Interest*

Deferred Interest may be paid at the option of the Issuer in whole or in part at any time (the "**Deferred Interest Settlement Date**") following delivery of a notice to such effect given by the Issuer to the Noteholders in accordance with Condition 17, the Trustee and the Principal Paying Agent not more than 30 nor less than 5 Business Days prior to the relevant Deferred Interest Settlement Date informing them of its election to so settle such Deferred Interest (or part thereof) and specifying the relevant Deferred Interest Settlement Date.

(c) *Mandatory Payment of Deferred Interest*

Notwithstanding the preceding provisions of this Condition 5, the Issuer shall pay any accrued but unpaid Deferred Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

In these Terms and Conditions:

"**Applicable Extended Mandatory Settlement Date Period**" has the meaning given to it in the applicable Final Terms;

a "**Compulsory Arrears of Interest Settlement Event**" shall have occurred if:

(i) a Declaration or Payment is made in respect of any Junior Obligations or any Parity Obligations (other than any dividend, distribution or payment which is paid or made exclusively in ordinary shares of the Issuer); or

(ii) the Issuer or any of its Subsidiaries has repurchased, redeemed or otherwise acquired any Junior Obligations or any Parity Obligations,

other than (a) any such Declaration or Payment or such redemption, repurchase or acquisition that is contractually required under the terms of any Junior Obligations or Parity Obligations or required by mandatory operation of law; (b) in relation to sub-paragraph (i) above, any *pro rata* payment of deferred interest on any Parity Obligations which is made simultaneously with a *pro rata* payment of any Deferred Interest provided that such *pro rata* payment on the relevant Parity Obligations is not proportionately more than the *pro rata* settlement of any such Deferred Interest; (c) any such Declaration or Payment in respect of any Junior Obligations or Parity Obligations or any redemption, repurchase or acquisition which is undertaken in connection with any share option, or any free share allocation plan in each case reserved for directors, officers and/or employees of the Issuer or any of its affiliates or any associated liquidity agreements or any associated hedging transactions; (d) any repurchase or acquisition of ordinary shares of the Issuer by or on behalf of the Issuer as part of an intra-day transaction that does not result in an increase in the aggregate number of ordinary shares of the Issuer compared with the ordinary shares held by or on behalf of the Issuer as treasury shares at 8:30 a.m. London time on the Interest Payment Date on which any outstanding Deferred Interest Payment first arose; (e) any redemption, repurchase or acquisition of Parity Obligations that is made for a consideration less than the aggregate nominal or par value of such Parity Obligations that are purchased or acquired; (f) any redemption, repurchase or acquisition of ordinary shares of the Issuer resulting from mandatory obligations or hedging of any convertible securities issued by the Issuer; or (g) any repurchase or acquisition of ordinary shares of the Issuer resulting from the settlement of existing equity derivatives after the Interest Payment Date on which any outstanding Deferred Interest Payment first arose;

"**Declaration or Payment**" means the authorisation by resolution of the general meeting of shareholders or the board of directors or other competent corporate body, as the case may be, of the Issuer of the payment, or the making of, a dividend or other distribution or payment, or, if no such authorisation is required, the payment, or the making of, a dividend or other distribution or payment; and

"**Mandatory Settlement Date**" means each of the following:

(i) the date which is 10 Business Days following the occurrence of a Compulsory Arrears of Interest Settlement Event;

(ii) the next scheduled Interest Payment Date on which interest on the Notes is paid;

(iii) the date on which the Notes are redeemed or repaid in accordance with Condition 3, any paragraph of Condition 7 or Condition 13; and

(iv) (if the applicable Final Terms specify "Extended Mandatory Settlement Date Provisions" as being applicable) the date which is the Applicable Extended Mandatory Settlement Date Period (as specified in the applicable Final Terms) from the earliest Interest Payment Date on which any Deferred Interest Payment forming part of the accrued but unpaid Deferred Interest was (but for the operation of Condition 5(a)) scheduled to be paid.

6 Payments

(a) *Method of payment*

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency; and

(ii) payments in euro will be made by credit or transfer to a euro account (or to any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11.

(b) *Presentation of definitive Notes and Coupons*

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

Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons). Where any definitive Note is presented for redemption without all unmatured Coupons, and where any definitive Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

Upon the date on which any Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

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

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *General provisions applicable to payments*

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

Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 6, if any amount of principal and/or interest in respect of Notes is payable in US dollars, such US dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in US dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day (other than a Saturday or a Sunday) which (subject to Condition 12) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:

(A) in the case of definitive Notes only, the relevant place of presentation;

(B) each Additional Financial Centre (if any) specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which T2 is operating.

(f) *Interpretation of principal and interest*

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

(i) any Additional Amounts which may be payable with respect to principal under Condition 11 or pursuant to any undertaking or covenant to pay additional amounts given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes (being the applicable Early Redemption Amount (Tax), Early Redemption Amount (Rating), Early Redemption Amount (Accounting) and/or Early Redemption Amount (Event of Default) (as applicable));

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) the Clean-Up Redemption Amount (if any) of the Notes; and

(vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes will, unless the context otherwise requires, include any accrued but unpaid Deferred Interest. Any reference in these Terms and Conditions to interest (including in relation to any accrued but unpaid Deferred Interest) shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest (including in relation to any accrued but unpaid Deferred Interest) under Condition 11 or pursuant to any undertaking or covenant to pay additional amounts given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7 Redemption

(a) *Final Redemption*

(i) Notes with a specified Maturity Date

If Maturity Date is specified in the applicable Final Terms, unless previously redeemed or purchased and cancelled or (pursuant to Condition 8) substituted as provided in these Terms and Conditions, each Note will be redeemed by the Issuer as its Final Redemption Amount specified in the applicable Final Terms, together with interest accrued to (but excluding) the Maturity Date (including any accrued but unpaid Deferred Interest, if applicable), in the relevant Specified Currency on the Maturity Date.

(ii) Notes with no fixed Maturity Date

If Maturity Date is specified as not applicable in the applicable Final Terms, the Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or repurchase them in accordance with this Condition 7.

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

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

(i) not less than 10 nor more than 60 days' (or, in each case, such other number of days as specified in the applicable Final Terms) notice to the Noteholders in accordance with Condition 17; and

(ii) not less than 10 days (or such shorter notice period as such party shall accept) before the giving of the notice referred to in paragraph (i) above, notice to the Trustee and the Principal Paying Agent,

(which notices shall be irrevocable (other than in the circumstances set out below) and shall specify the date fixed for redemption) redeem all, but not some only, of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) applicable to such Optional Redemption Date specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (including any accrued but unpaid Deferred Interest, if applicable). Subject to the paragraph immediately below, upon the expiry of such notice, the Issuer shall redeem the Notes.

Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by

the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed.

(c) *Redemption for tax reasons*

If (i) a Tax Deductibility Event has occurred and is continuing; or (ii) a Withholding Tax Event has occurred and is continuing; or (iii) the Issuer suffers or would suffer any other material adverse tax consequences in connection with the Notes in the United Kingdom as a result of a Tax Law Change (and the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it) (a "**Tax Law Change Event**"), the Issuer may, subject to Condition 9 and having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Noteholders (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 the applicable Early Redemption Amount (Tax) together with any accrued and unpaid interest up to (but excluding) the redemption date and any accrued but unpaid Deferred Interest (if applicable); provided, however, that, in the case of a Withholding Tax Event, (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay any Additional Amounts were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Upon the expiry of such notice, the Issuer shall redeem the Notes.

In these Terms and Conditions:

"**Early Redemption Amount (Tax)**" means:

(i) in the case of a Tax Deductibility Event, the amount specified as the "Early Redemption Amount (Tax Deductibility)" in the applicable Final Terms;

(ii) in the case of a Withholding Tax Event, the amount specified as the "Early Redemption Amount (Withholding)" in the applicable Final Terms; or

(iii) in the case of a Tax Law Change Event, the amount specified as the "Early Redemption Amount (Tax Law Change)" in the applicable Final Terms;

a "**Tax Deductibility Event**" shall be deemed to have occurred if as a result of a Tax Law Change:

(i) the Issuer is not or would no longer be entitled to claim a deduction in respect of any payments of interest in respect of the Notes in computing its taxation liabilities or such entitlement is materially delayed or reduced in the United Kingdom (a "**disallowance**"); or

(ii) the Notes are prevented from being treated as loan relationships for United Kingdom tax purposes; or

(iii) in respect of the Issuer's obligation to make payment of any Interest Amount on the next following Interest Payment Date, where a deduction arises in respect of such Interest Amount the Issuer would not to any material extent be entitled to have any loss attributable to, or resulting from, such deduction set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Issue Date of the last Tranche of Notes or any similar system or systems having like effect as may from time to time exist) otherwise than as a result of a disallowance in (i) above,

and, in each case, the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it, provided that measures reasonably available to the Issuer shall not include allocating a disallowance provided for in (i) above to any other company or security;

"**Tax Law Change**" means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax, including any treaty or convention to which the United Kingdom is a party, or any change in the application or interpretation of such laws or regulations or any such treaty or convention, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after the Issue Date of the last Tranche of the Notes; and

a "**Withholding Tax Event**" shall be deemed to occur if as a result of a Tax Law Change, in making any payments on the Notes or the Coupons, the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts on the Notes and the Issuer cannot avoid the foregoing in connection with the Notes by taking reasonable measures available to it.

(d) *Redemption following a Rating Capital Event*

If a Rating Capital Event has occurred and is continuing, the Issuer may, subject to Condition 9 and having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Noteholders (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 the Early Redemption Amount (Rating) together with any accrued and unpaid interest up to (but excluding) the redemption date and any accrued but unpaid Deferred Interest (if applicable). Upon the expiry of such notice, the Issuer shall redeem the Notes.

In these Terms and Conditions:

"**Early Redemption Amount (Rating)**" means the amount specified as such in the applicable Final Terms;

"**Group**" means the Issuer and its Subsidiaries together with its or their ultimate Holding Company (if any) (as defined in the Trust Deed) and any such ultimate Holding Company's Subsidiaries;

"**Rating Agency**" means Moody's Investors Service Limited, S&P Global Ratings UK Limited or Fitch Ratings Ltd or any of their respective subsidiaries or successors or any rating agency substituted for any of them (or any permitted substitute of them) by the Issuer from time to time with the prior written approval of the Trustee; and

a "**Rating Capital Event**" shall be deemed to occur if the Issuer has received, and confirmed in writing to the Trustee that it has so received, confirmation from any Rating Agency then providing a solicited rating of the Issuer and/or the Group and/or the Notes at the invitation of, or with the consent of, the Issuer and in connection with which the Notes are assigned an equity credit, either directly or via a publication by such Rating Agency, that an amendment to, clarification of or change in its equity credit criteria has occurred which becomes effective on or after the Issue Date of the last Tranche of the Notes (or, if later, effective after the date on which any or all of the Notes are assigned equity credit by such Rating Agency for the first time) and as a result of which, but not otherwise, (a) the Notes are no longer eligible or will no longer be eligible in full or in part for the same, or a higher amount of, equity credit (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Notes at the Issue Date of the last Tranche of the Notes (or if equity credit is not assigned to the Notes by the relevant Rating Agency on the Issue Date of the last Tranche of the Notes, at the date on which equity credit is assigned by such Rating Agency for the first time) or (b) the length of time the Notes are assigned a particular level of equity credit, after being assigned such equity credit for the first time, by that Rating Agency is shortened as compared to the length

of time they would have been assigned that level of equity credit by that Rating Agency under its prevailing methodology on the Issue Date of the last Tranche of the Notes (or if equity credit was not assigned to the Notes by the relevant Rating Agency on the Issue Date of the last Tranche of the Notes, at the date on which equity credit is assigned by such Rating Agency for the first time).

(e) *Redemption following an Accounting Event*

If an Accounting Event has occurred and is continuing, the Issuer may, subject to Condition 9 and having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Noteholders (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 Early Redemption Amount (Accounting) together with any accrued and unpaid interest up to (but excluding) the redemption date and any accrued but unpaid Deferred Interest (if applicable). Upon the expiry of such notice, the Issuer shall redeem the Notes.

In these Terms and Conditions:

an "**Accounting Event**" shall be deemed to occur if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that, as a result of a change in accounting principles (or the application thereof) which has been officially adopted after the Issue Date of the last Tranche of the Notes (such date, the "**Accounting Event Adoption Date**"), the Notes may not or may no longer be recorded as a "financial liability" if "financial liability" is specified as the Accounting Treatment in the applicable Final Terms or "equity" if "equity" is specified as the Accounting Treatment in the applicable Final Terms, as the case may be, in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to the UK-IFRS or any other accounting standards that may replace the UK-IFRS for the purposes of preparing the audited annual or the semi-annual consolidated financial statements of the Issuer; the Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date;

"**Early Redemption Amount (Accounting)**" means the amount specified as such in the applicable Final Terms; and

"**UK-IFRS**" means the International Financial Reporting Standards as adopted by the United Kingdom.

(f) *Clean-Up Call Option*

If Clean-Up Call is specified as applicable in the applicable Final Terms and if a Clean-Up Call Event has occurred, the Issuer may, subject to Condition 9 and having given not less than 10 nor more than 30 days' (or, in each case, such other number of days as specified in the applicable Final Terms) notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem at any time all, but not some only, of the Notes then outstanding at the Clean-Up Redemption Amount specified in the applicable Final Terms together with any accrued and unpaid interest up to (but excluding) the redemption date and any accrued but unpaid Deferred Interest (if applicable). Upon the expiry of such notice, the Issuer shall redeem the Notes.

In these Terms and Conditions:

a "**Clean-Up Call Event**" shall be deemed to occur if prior to giving the relevant notice of redemption the Clean-Up Call Threshold Percentage or more of the aggregate nominal amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 19 will be deemed to have been originally issued) have been redeemed and/or purchased and cancelled by the Issuer; and

"**Clean-Up Call Threshold Percentage**" means 75 per cent. or such other amount specified as such in the applicable Final Terms.

8 Substitution or Variation

If a Rating Capital Event, an Accounting Event, a Tax Deductibility Event, a Tax Law Change Event or a Withholding Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 9 (without any requirement for the consent or approval of the Noteholders or Couponholders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 8 have been complied with, and having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), at any time either (i) substitute all, but not some only, of the Notes for, or (ii) vary the terms of the Notes with the effect that they remain or become, as the case may be, Qualifying Notes, and the Trustee shall (subject to the following provisions of this Condition 8 and subject to the receipt by it of the certificate of a director of the Issuer referred to in Condition 9 below) agree to such substitution or variation but without further responsibility or liability on the part of the Trustee.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Notes in accordance with this Condition 8.

The Trustee shall, subject to the provisions of this Condition 8 and subject to the receipt by it of the certificate of a director of the Issuer referred to in Condition 9 below, without any requirement for the consent or approval of the Noteholders or Couponholders, execute any documents necessary to effect the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as the case may be, become, Qualifying Notes, provided that the Trustee shall not be obliged to execute such documents if, in the Trustee's opinion, doing so would impose more onerous obligations upon it or would expose it to additional duties, responsibilities or liabilities or reduce or amend its rights and/or protections. If the Trustee does not execute any necessary documents as provided above, the Issuer may redeem the Notes as provided in Condition 7.

In connection with any substitution or variation in accordance with this Condition 8, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions shall not be permitted if (a) following any such substitution or variation (i) a Tax Deductibility Event; (ii) a Tax Law Change Event; or (iii) a Withholding Tax Event is occurring with respect to the Qualifying Notes, or (b) any such substitution or variation could reasonably be expected to (i) result in a reduction of the amount of equity credit assigned by any Rating Agency to the Notes immediately prior to such substitution or variation, or (ii) otherwise prejudice the eligibility of the Notes for equity credit from any Rating Agency and/or (iii) result in the Notes (or the Qualifying Notes) no longer being recorded as "equity" (if "equity" is specified as the Accounting Treatment in the applicable Final Terms) or "financial liability" (if "financial liability" is specified as the Accounting Treatment in the applicable Final Terms), as the case may be, in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to the UK-IFRS or any other accounting standards that may replace the UK-IFRS for the purposes of preparing the audited annual or the semi-annual consolidated financial statements of the Issuer.

In these Terms and Conditions:

"**Qualifying Notes**" means securities that contain terms not materially less favourable to Noteholders than the terms of the Notes (as reasonably determined by the Issuer (in consultation with an independent investment bank or counsel of international standing)) and provided that a certification to such effect (and confirming that the conditions set out in (i) to (ix) below have been satisfied) of one director of the Issuer shall have been delivered to the Trustee prior to the substitution or variation of the Notes (upon which certificate the Trustee shall rely absolutely without enquiry or liability to any person), provided that:

(i) they shall be issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer, in each case with a guarantee by the Issuer (other than when the Issuer is the issuer of such securities, if applicable); and

(ii) they (and/or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* on a winding-up or administration (in circumstances where the administrator has given notice of its intention to declare and distribute a dividend) of the Issuer with the Notes; and

(iii) they shall contain terms which provide for the same or a more favourable Rate of Interest from time to time applying to the Notes and preserve the same Interest Payment Dates; and

(iv) they shall preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; and

(v) they shall preserve any existing rights under these Terms and Conditions to any accrued interest which has accrued to Noteholders and not been paid (including without limitation any Deferred Interest); and

(vi) they shall not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and

(vii) they shall otherwise contain substantially identical terms (as reasonably determined by the Issuer) to the Notes, save where (without prejudice to the requirement that the terms are not materially less favourable to Noteholders than the terms of the Notes as described above) any modifications to such terms are required to be made to avoid the occurrence or effect of a Rating Capital Event, an Accounting Event, a Tax Deductibility Event, a Tax Law Change Event or, as the case may be, a Withholding Tax Event; and

(viii) if the Notes were publicly rated by a Rating Agency which has provided a solicited rating at the invitation or with the consent of the Issuer immediately prior to such substitution or variation, they shall have at least the same credit rating immediately after such substitution or variation by each such Rating Agency, as compared with the relevant solicited rating(s) immediately prior to such substitution or variation (as determined by the Issuer using reasonable measures available to it including discussions with the Rating Agencies to the extent practicable); and

(ix) they shall be (i) listed on the Official List and admitted to trading on the Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer;

"**Market**" means the London Stock Exchange plc's main market;

"**Official List**" means the Official List of the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (as amended or superseded); and

"**Recognised Stock Exchange**" means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time.

9 Preconditions to Special Event Redemption, Substitution and Variation

Prior to the publication of any notice of redemption pursuant to Condition 7 (other than redemption pursuant to Condition 7(b)) or any notice of substitution or variation pursuant to Condition 8, the Issuer shall deliver to the Trustee a certificate signed by one director of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied, and where the relevant Special Event (as defined below) requires measures reasonably available to the Issuer to be taken, the relevant Special Event cannot be avoided by the Issuer taking such measures.

In relation to a substitution or variation pursuant to Condition 8, such certificate shall also include further certifications that the terms of the Qualifying Notes are not materially less favourable to Noteholders than the terms of the Notes, that such determination was reached by the Issuer in consultation with an independent financial institution of international repute or an independent financial adviser or a counsel of international standing, in each case, with appropriate expertise in capital markets appointed by the Issuer at its own expense and that the criteria specified in paragraphs (i) to (ix) of the definition of Qualifying Notes will be satisfied by the Qualifying Notes upon issue. The Trustee shall be entitled to accept such certificate without any inquiry or liability as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Any redemption of the Notes in accordance with Condition 7 shall be conditional on all accrued but unpaid Deferred Interest being paid in full in accordance with the provisions of Condition 5 on or prior to the date of such redemption, together with any accrued and unpaid interest up to (but excluding) such date of redemption.

The Trustee is under no obligation to ascertain whether any Special Event or any event which could lead to the occurrence of, or could constitute, any such Special Event has occurred, and will not be responsible to Noteholders for any loss arising from any failure by the Trustee to so ascertain the occurrence of such an event, and unless and until it shall have express written notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such Special Event or such other event has occurred.

In these Terms and Conditions:

"**Special Event**" means any of a Rating Capital Event, an Accounting Event, a Clean-Up Call Event, a Tax Deductibility Event, a Tax Law Change Event or a Withholding Tax Event or any combination of the foregoing.

10 Purchases and Cancellation

(a) *Purchases*

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

(b) *Cancellation*

All Notes which are redeemed or substituted by the Issuer pursuant to Condition 7 or 8, as the case may be, will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith). All Notes so cancelled and any Notes purchased and cancelled pursuant to paragraph (a) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

11 Taxation

All payments of principal and interest by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (together, "**Taxes**") of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority thereof or therein having power to levy the same unless such withholding or deduction is required by law. In that event, the Issuer shall pay such amounts (the "**Additional Amounts**") as will result in the receipt by the Noteholders and the Couponholders of such

amounts as would have been received by them had no such Taxes been required to be withheld or deducted; provided that no such Additional Amounts will be payable in respect of Notes or Coupons:

(i) to, or to a third party on behalf of, a Noteholder or Couponholder who is liable for such withheld or deducted Taxes by reason of its having some connection with the United Kingdom other than the mere holding of a Note or Coupon; or

(ii) to, or to a third party on behalf of, a Noteholder or Couponholder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such Noteholder or Couponholder proves that it is not entitled so to comply or to make such declaration or claim; or

(iii) presented for payment more than 30 days after the Relevant Date (as defined in Condition 4(h)) except to the extent that a Noteholder or Couponholder would have been entitled to payment of such Additional Amounts if it had presented its Note or Coupon for payment on the thirtieth day after the Relevant Date.

Notwithstanding any other provision of these Terms and Conditions, any amounts to be paid on any Note or Coupon by or on behalf of the Issuer will be paid net of any deduction or withholding imposed under Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") (or any amended or successor provisions), including any regulations thereunder or official interpretations thereof, or required pursuant to an agreement described in Section 1471(b) of the Code or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation of any of the foregoing (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

12 Prescription

The Notes and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 4(h)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

13 Enforcement Events

(a) *Proceedings*

If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or for a period of 21 days or more in the payment of any interest (including any Deferred Interest payable under Condition 5(c)) in respect of the Notes which is due and payable, then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Notes and the Coupons and the Trustee at its sole discretion may (subject to Condition 13(c)), and if so requested in writing by the Noteholders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to Condition 13(c)), institute actions, steps or proceedings for the winding-up of the Issuer and/or prove in the winding-up or administration of the Issuer and/or claim in the liquidation or administration of the Issuer for such payment, such claim being as contemplated in Condition 3(a) or Condition 3(b) (as applicable) (such amount, the "**Early Redemption Amount (Event of Default)**").

(b) *Enforcement*

The Trustee may at its discretion (subject to Condition 13(c)) and without further notice institute such actions, steps or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Notes or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Condition 13(a) or 13(b) above against the Issuer to enforce the terms of the Trust Deed, the Notes or the Coupons or any other action, step or proceedings unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the Noteholders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(d) *Right of Holders*

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute actions, steps or proceedings for the winding-up of the Issuer and/or prove in the winding-up or administration of the Issuer and/or claim in the liquidation or administration of the Issuer unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or administration or claim in such liquidation or administration, fails or is unable to do so within 60 days and such failure or inability shall be continuing, in which case the Noteholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 13.

(e) *Extent of Noteholders' remedy*

No remedy against the Issuer, other than as referred to in this Condition 13, shall be available to the Trustee (on behalf of the Noteholders) or the Noteholders or Couponholders, whether for the recovery of amounts owing in respect of the Notes, the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes, the Coupons or the Trust Deed.

14 Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity the Issuer may reasonably require. Mutilated or defaced Notes Coupons or Talons must be surrendered before replacements will be issued.

15 Agents

The names of the initial Paying Agents and the Calculation Agent initially appointed by the Issuer and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, Calculation Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(i) there will at all times be a Paying Agent and a Calculation Agent; and

(ii) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or any other relevant authority.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 17.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders.

16 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12.

17 Notices

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with a Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to a Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the relevant Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

18 Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings (including by way of audio or video conference call) of the Noteholders to consider any matter affecting their interests, including the sanctioning by an

Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction) be convened by the Trustee upon a request by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or Coupons or the Trust Deed (including, *inter alia*, the provisions regarding the subordination referred to in Condition 3, modifying the date of maturity of the Notes (where applicable) or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or Coupons) the quorum shall be one or more persons holding or representing not less than three-fourths in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-fourth in nominal amount of the Notes for the time being outstanding.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Terms and Conditions, the Notes, the Coupons and/or the Trust Deed and/or the Agency Agreement required to be made in the circumstances described in Condition 8 in connection with the substitution or variation of the terms of the Notes so that they remain or become Qualifying Notes to which the Trustee has agreed pursuant to the relevant provisions of Condition 8.

An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders. Notwithstanding the foregoing, a resolution by way of electronic consents given through the relevant clearing system(s) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding or in writing signed by persons holding or representing not less than 75 per cent. of the nominal amount of the Notes for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such which in any such case is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders (which will not include, for the avoidance of doubt, any provision entitling the Noteholders to institute actions, steps or proceedings for the winding-up of the Issuer in circumstances which are more extensive than those set out in Condition 13) or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of applicable law. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 4(b)(iv) without the consent of the Noteholders or the Couponholders.

The Trustee may also agree without the consent of the Noteholders or Couponholders, to the substitution in place of the Issuer as the principal debtor under the Notes and the Trust Deed of any successor in business or Holding Company (as defined in the Trust Deed) of the Issuer or any other Subsidiary of the Issuer, provided that (i) (in the case of any substitution by any other Subsidiary of the Issuer or such Holding Company) all payments in respect of the Notes continue to be unconditionally and irrevocably guaranteed by the Issuer or the successor in business of the Issuer in the manner provided in the Trust Deed and (ii)

such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders and Couponholders and subject to the other conditions set out in the Trust Deed. In the case of any proposed substitution, the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders or the Couponholders.

Any such modification, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, any such modification, waiver, authorisation, determination or substitution shall be notified to the Noteholders in accordance with Condition 17 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders and Couponholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 11 and/or any undertaking given in addition to, or in substitution for, Condition 11 pursuant to the Trust Deed.

19 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series where the Trustee so decides.

20 Indemnification of the Trustee and its Contracting with the Issuer

The Trust Deed contains provisions for the indemnification, the prefunding and/or the provision of security for the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any Subsidiaries of the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

21 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

22 Governing Law and Submission to Jurisdiction

(a) **Governing Law:** The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** Subject as provided below, the English courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes and the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") and that accordingly any suit, action or proceedings arising out of or in connection with the Trust Deed, the Notes and the Coupons (including any proceedings relating to any non-contractual obligations arising out of or in connection with them) (together, referred to as "**Proceedings**") may be brought in such courts and accordingly the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the jurisdiction of the English courts.

For the purposes of this Condition 22(b), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may in respect of any Dispute or Disputes take (i) Proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

(c) **Other Documents**: The Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts.

The following paragraph does not form part of the Terms and Conditions of the Subordinated Notes.

The Issuer intends (without thereby assuming a legal obligation) that it will (but is not obliged to) redeem or repurchase the Subordinated Notes only to the extent that the Subordinated Notes are replaced with instrument(s) which provide at least an equivalent quantum of "equity credit" (or such other nomenclature used from time to time), unless:

(i) the Subordinated Notes are redeemed pursuant to a Rating Capital Event, a Tax Deductibility Event, a Tax Law Change Event, an Accounting Event or a Withholding Tax Event having occurred; or

(ii) such redemption or repurchase is made in any other circumstance where redemption or repurchase without replacement is consistent with rating agencies' assessment criteria.

FORM OF FINAL TERMS FOR SENIOR NOTES

Final Terms Dated [●]

[B.A.T. INTERNATIONAL FINANCE p.l.c.]

[B.A.T. NETHERLANDS FINANCE B.V.]

[B.A.T CAPITAL CORPORATION]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by BRITISH AMERICAN TOBACCO p.l.c.
[B.A.T. INTERNATIONAL FINANCE p.l.c.]

[B.A.T. NETHERLANDS FINANCE B.V.]
[B.A.T CAPITAL CORPORATION]

under the £25,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[*Where the Issuer is relying on the exemption from the prohibition on offers to the public in paragraph 6(a) of Part 1 of Schedule 1 of the POATRs (listing exemption) insert:*

The offer of the Notes described in these Final Terms is conditional on the Notes being admitted to trading on the main market of the London Stock Exchange plc. The offer of these Notes by the Issuer may be withdrawn without liability to the Issuer if the Notes are not admitted to the main market of the London Stock Exchange plc on or about the Issue Date.]

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs, and also UK retail investors target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is professional clients, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] ("UK MiFIR") (a "professional client") and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and also UK retail clients (where, for these purposes, a retail client means a client who is not a professional client); EITHER [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to UK retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [Consider any negative target market.] Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]

[Prohibition of Sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "MiFID II")/MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][†]

[Prohibition of Sales to UK Retail Investors – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a "retail investor" means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("POATRs"). Consequently [no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation")]/[disclosure document required by the FCA Product Disclosure Sourcebook ("DISC")] for offering, selling or distributing the Notes or otherwise making them available to any retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the [UK PRIIPs Regulation]/[DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024].]

[†] *Option for UK retail target market included, as well as optionality on both the prohibition of sales to EEA and UK investors. For Low denomination issuances, only EEA restriction should be included.*

[Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][‡]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the "Conditions") set forth in the Base Prospectus dated 18 March 2026 [and the supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("PRM"). This document constitutes the Final Terms of the Notes described herein for the purposes of the PRM and must be read in conjunction with such Base Prospectus [as so supplemented] in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Base Prospectus. The Base Prospectus has been published on London Stock Exchange's website.]

Full information on the Issuer and the offer of the Notes is only available on the basis and of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the supplemental Prospectus] [is] [are] available for viewing at *www.londonstockexchange.com/exchange/news/market-news/market-news-home.html*.]]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the "Conditions") contained in the Trust Deed dated [*original date*] and set forth in the Base Prospectus dated [*original date*] [and the supplemental Prospectus dated [●]] and incorporated by reference into the Base Prospectus dated 18 March 2026 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("PRM"). and must be read in conjunction with the Base Prospectus dated 18 March 2026 [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the PRM, including the Conditions incorporated by reference into the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on London Stock Exchange's website.

Full information on the Issuer and the offer of the Notes is only available on the basis and of the combination of these Final Terms, the Conditions incorporated by reference into the Base Prospectus and the Base Prospectus [and the supplemental Prospectuses]. [Such Conditions, the Base Prospectus [and the supplemental Prospectuses] are available for viewing at *www.londonstockexchange.com/exchange/news/market-news/market-news-home.html*.]]

1	(i)	Issuer:	[●]
	(ii)	Guarantors:	[●]
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[On the Issue Date, the Notes will be consolidated and form a single Series with the existing [●] Notes due [●] issued on [●]] [●]
3		Specified Currency or Currencies:	[●]

[‡]For any Notes to be offered to Singapore investors, include this legend only where the Notes are not classified as prescribed capital markets products and Excluded Investment Products.

4	Aggregate Nominal Amount:	[●]
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price of Tranche:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i) Specified Denominations:	[●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]] *(Notes must have a minimum denomination of £50,000 (or equivalent) to benefit from the exemption set out in paragraph 4 of Part 1 to Schedule 1 to the POATRs from the public offer prohibition. If denominations below £50,000 (or equivalent) are issued, advice should be taken to ensure the Notes are eligible to benefit from any other relevant exemption from the public offer prohibition under the POATRs (particularly, paragraph 6(a) of Schedule 1 to the POATRs))*
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
8	Maturity Date:	[●] *(If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency)* [Interest Payment Date falling in or nearest to [●]]
9	Interest Basis:	[Fixed Rate] [Floating Rate] [Zero Coupon] [●] (Further particulars specified below in paragraph [14/15/16])
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
11	Change of Interest:	[●] [Not Applicable]
12	Put/Call Options:	[Issuer Call] [Clean-Up Call] [Investor Put] [Not Applicable] (Further particulars specified below in paragraph [18/19/20])

13	(i)	Status of the Notes:	Senior
	(ii)	Status of the Guarantee:	Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14		Fixed Rate Note Provisions:	[Applicable/Not Applicable]
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[[●] [and [●]] in each year, commencing on [●], up to and including the Maturity Date
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [Not Applicable]
	(v)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]
	(vi)	[Determination Dates:	[[●] in each year] [Not Applicable]]
15		Floating Rate Note Provisions:	[Applicable/Not Applicable]
	(i)	Specified Period(s)/Specified Interest Payment Dates:	[●] [, subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
	(iii)	Additional Business Centre(s):	[●]
	(iv)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):	[●] (the "**Calculation Agent**")
	(v)	Screen Rate Determination:	
		- Reference Rate:	[●]-month EURIBOR
		- Interest Determination Date(s):	[Second London business day prior to the start of each Interest Period] [First day of each Interest Period] [Second day on which T2 is open prior to the start of each Interest Period] [●]
		- Relevant Screen Page:	[●]
		- Reference Banks:	[[●]/Not Applicable]
	(vi)	Margin(s):	[+/-] [●] per cent. per annum

	(vii) Linear Interpolation:	[Not Applicable][Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
	(viii) Minimum Rate of Interest:	[[●] per cent. per annum] [Not Applicable]
	(ix) Maximum Rate of Interest:	[[●] per cent. per annum] [Not Applicable]
	(x) Day Count Fraction:	[Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
16	Zero Coupon Note Provisions:	[Applicable/Not Applicable]
	(i) Accrual Yield:	[●] per cent. per annum
	(ii) Reference Price	[●]
	(iii) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 6(f)(iii) and 6(i) apply]

PROVISIONS RELATING TO REDEMPTION

17	Notice Period for Condition 6(b):	Minimum period: [10] [●] days Maximum period: [30] [●] days
18	Issuer Call:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s):	[[●] per Calculation Amount]/[Make-whole Amount]/[Spens Amount]
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice Period:	Minimum period: [10] [●] days Maximum period: [30] [●] days
	(v) Quotation Time:	[[●]/Not Applicable]
	(vi) Determination Date:	[[●]/Not Applicable]
	(vii) Reference Bond:	[DA Selected Bond/[●]/Not Applicable]
	(viii) Redemption Margin:	[[●]/Not Applicable]
	(ix) Discount Basis:	[Annual/Semi-Annual/*any other*]
	(x) Make-whole Reference Date:	[[●]/Not Applicable]
	(xi) Spens Call Reference Date:	[[●]/Not Applicable]
19	Clean-Up Call:	[Applicable/Not Applicable]
	(i) Clean-Up Redemption Amount:	[●] per Calculation Amount
	(ii) Clean-Up Call Threshold Percentage	[[●] per cent.]/[As set out in Condition 6(d)]

	(iii) Notice Period:	Minimum period: [10] [●] days Maximum period: [30] [●] days
20	Investor Put:	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s):	[[●] per Calculation Amount]
	(iii) Notice Period:	Minimum period[§]: [10] [●] days Maximum period: [30] [●] days
21	Final Redemption Amount:	[●] per Calculation Amount
22	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption:	[As set out in Condition 6(f)] [[●] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Form of Notes:	Bearer Notes
	(i) Form:	[Global Note exchangeable for Definitive Notes upon an Exchange Event.]/[CREST Depositary Interests ("CDIs") representing the Notes may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited ("CREST")]
	(ii) New Global Note:	[Yes/No]
24	Additional Financial Centre(s):	[Not Applicable] [●]
25	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[§]*From an operational perspective, the clearing systems require a minimum notice period of 15 clearing system business days in respect of an Investor Put option.*

Signed on behalf of [name of the Issuer]:

By: .....
Duly authorised

Signed on behalf of [name of the Guarantor]:

By: .....
Duly authorised

Signed on behalf of [name of the Guarantor]:

By: .....
Duly authorised

Signed on behalf of [name of the Guarantor]:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1 **LISTING**

(i)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the main market of the London Stock Exchange plc with effect from [●].]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2 **RATINGS**

Ratings:	[The Issuer has not applied, and does not intend to apply, for a credit rating to be assigned to the Notes] [The Notes to be issued [have been/are expected to be] rated]: [Fitch Ratings Ltd ("Fitch"): [●]] An obligation rated '[●]'. [*Insert definition of rating*] [Moody's Investors Service Ltd ("Moody's"): [●]] An obligation rated '[●]'. [*Insert definition of rating*] [S&P Global Ratings UK Limited ("S&P"): [●]] An obligation rated '[●]'. [*Insert definition of rating*]

3 **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]**

[Save for the fees [of *[insert relevant fee disclosure]*] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, and may perform other services for the Issuer and its affiliates in the ordinary course of business.]

4 **[*Fixed Rate Notes only* – YIELD]**

Indication of yield:	[●]

5 **USE OF PROCEEDS AND ESTIMATED NET PROCEEDS**

Use of Proceeds:	[●]
Estimated net proceeds:	[●]

6 **OPERATIONAL INFORMATION**

(i)	ISIN:	[●]
(ii)	Common Code:	[●]
(iii)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable]/[●] [The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes.]
(iv)	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable]/[●]

(v)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(vi)	[Financial intermediaries (if any) authorised to use the Base Prospectus and these Final Terms:	[*Give names*] *(where an offer is made reliant on paragraph 6(a) of Schedule 1 to the POATRs, give names of authorised financial intermediaries*]
(vii)	[Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*Advice should be taken from Belgian counsel before disapplying this selling restriction*)]
(viii)	[Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.) Where Notes are issued in low denomination for sales to UK retail, "Applicable" should be selected, as sales to EEA retail are prohibited and must be to QIs only or otherwise pursuant to an exemption to the EU Prospectus Regulation requirements)*]

(ix)	[Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If (i) the Notes clearly do not constitute "packaged" products under the UK PRIIPs regime pre-6 April 2026 or consumer composite investments under the CCI regime from 6 April 2026 onwards or (ii) the Notes do constitute "packaged" products/consumer composite investments (as relevant) and a key information document/product summary (as relevant) will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products/consumer composite investments (as relevant) and no key information document/product summary (as relevant) will be prepared in the UK, "Applicable" should be specified.)*]

7 **[THIRD PARTY INFORMATION]**

[[●]] has been extracted from [●]. [Each of the] [The] Issuer [and the Guarantors] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

FORM OF FINAL TERMS FOR SUBORDINATED NOTES

Final Terms Dated [●]

BRITISH AMERICAN TOBACCO p.l.c.

Issue of [Aggregate Nominal Amount of Tranche] [Title of [Ordinary]/[Deeply] Subordinated Notes]

under the £25,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBs"), and professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Prohibition of Sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, "MiFID II")/MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a "retail investor" means a person

who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("POATRs"). Consequently, no [key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation")]/[disclosure document required by the FCA Product Disclosure Sourcebook ("DISC")] for offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the [UK PRIIPs Regulation]/[DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024].

[Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][**]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Subordinated Notes (the "Conditions") set forth in the Base Prospectus dated 18 March 2026 [and the supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("PRM"). This document constitutes the Final Terms of the Notes described herein for the purposes of the PRM and must be read in conjunction with such Base Prospectus [as so supplemented] in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Base Prospectus. The Base Prospectus has been published on London Stock Exchange's website.

Full information on the Issuer and the offer of the Notes is only available on the basis and of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [The Base Prospectus [and the supplemental Prospectus] [is] [are] available for viewing at *www.londonstockexchange.com/exchange/news/market-news/market-news-home.html*.]]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Subordinated Notes (the "Conditions") contained in the Trust Deed dated [*original date*] and set forth in the Base Prospectus dated [*original date*] [and the supplemental Prospectus dated [●]] and incorporated by reference into the Base Prospectus dated 18 March 2026 and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("PRM") and must be read in conjunction with the Base Prospectus dated 18 March 2026 [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the PRM, including the Conditions incorporated by reference into the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on London Stock Exchange's website.

Full information on the Issuer and the offer of the Notes is only available on the basis and of the combination of these Final Terms, the Conditions incorporated by reference into the Base Prospectus and the Base Prospectus [and the supplemental Prospectuses]. [Such Conditions, the Base Prospectus [and the supplemental Prospectuses] are available for viewing at *www.londonstockexchange.com/exchange/news/market-news/market-news-home.html*.]]

[**]For any Notes to be offered to Singapore investors, include this legend only where the Notes are not classified as prescribed capital markets products and Excluded Investment Products.

1	(i)	Issuer:	British American Tobacco p.l.c.
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[On the Issue Date, the Notes will be consolidated and form a single Series with the existing [●] Notes due [●] issued on [●]]
3	Specified Currency or Currencies:		[Euro]/[Sterling]
4	Aggregate Nominal Amount:		[●]
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5	Issue Price of Tranche:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i)	Specified Denominations:	[●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]] *(Specified Denominations shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes))*
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[[●]/Issue Date]
8	Maturity Date:		[Not Applicable]/ [●]
9	Interest Basis:		Reset Rate (Further particulars specified below in paragraph 14)
10	Redemption Basis:		[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at the Final Redemption Amount] / [Subject to any purchase and cancellation or early redemption, not applicable]
11	Final Redemption Amount:		[●]/[Not Applicable] *(Not Applicable if Maturity Date is specified as Not Applicable)*
12	Call Options:		[Issuer Call] [Clean-Up Call] Tax Deductibility Event Withholding Tax Event Tax Law Change Event Rating Capital Event Accounting Event (Further particulars specified below in paragraphs [16, 17, 18, 19, 20, 21 and 22])
13	Status of the Notes:		[Ordinary]/[Deeply] Subordinated Notes

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Reset Rate Note Provisions:	Applicable
	(i) Initial Rate of Interest:	[●] per cent. per annum payable [annually/semi annually/quarterly/monthly/other] in arrear on each Interest Payment Date[.There will be a [short]/[long] first coupon from and including [ ] to but excluding [ ]]
	(ii) Interest Payment Date(s):	[[●] [and [●]] in each year], commencing on [●][, up to and including the Maturity Date]
	(iii) First Margin:	[+/-][●] per cent. per annum
	(iv) Subsequent Margin[s]:	[Not Applicable / [+/-][●] per cent. per annum in respect of the Subsequent Reset Period from (and including) [●] to (but excluding) [●] [and [+/-][●] per cent. per annum in respect of the Subsequent Reset Period from (and including) [●] to (but excluding) [●]]]
	(v) [Fixed Coupon Amount:	[●] per Calculation Amount, payable on each Interest Payment Date up to (and including) the First Reset Date[, except for the Interest Payment Date falling on [●]]
	(vi) Broken Amount(s):	[Not Applicable / [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]]
	(vii) Additional Business Centre(s):	[●]
	(viii) First Reset Date:	[●]
	(ix) Subsequent Reset Date[s]:	[●][and [●]]
	(x) Reset Interest Determination Date[s]:	[[As set out in the Conditions] / [●]]]
	(xi) Reset Rate:	[[semi-annual][annual][Mid-Swap Rate]]/[Benchmark Gilt Rate]
	(xii) First Reset Period Fallback:	[●]
	(xiii) Benchmark Frequency:	[●]
	(xiv) Swap Rate Period:	[[●]/Not Applicable]
	(xv) Mid-Swap Screen Page:	[[●]/Not Applicable]
	(xvi) Day Count Fraction:	[Actual/365 (Fixed)]/[30/360][Actual/Actual (ICMA)]
	(xvii) Fixed Leg:	[[semi-annual]/[annual] calculated on a [[30/360]/[ ] day count basis]/[Not Applicable]
	(xviii) Floating Leg:	[[3]/[6]/[ ]-month EURIBOR]/[ ] rate calculated on an [Actual/365]/[Actual/360]/[ ] day count basis]/[Not Applicable]
	(xix) Determination Date(s):	[●] in each year
	(xx) Calculation Agent:	[●]

15	Extended Mandatory Settlement Date Provisions:		[Applicable]/[Not Applicable]
	(i)	Applicable Extended Mandatory Settlement Date Period:	[Five years]/ [●]

PROVISIONS RELATING TO REDEMPTION, SUBSTITUTION AND VARIATION

16	Issuer Call:		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s):	[●] per Calculation Amount
	(iii)	Notice period (if other than as set out in the Conditions):	[●]/[Not Applicable]
17	Clean-Up Call:		[Applicable/Not Applicable]
	(i)	Clean-Up Redemption Amount:	[●] per Calculation Amount
	(ii)	Clean-Up Call Threshold Percentage:	[[●] per cent.]/[As set out in Condition 7(f)]
	(iii)	Notice period (if other than as set out in the Conditions):	[●]/[Not Applicable]
18	Early Redemption Amount (Tax Deductibility):		[●] per Calculation Amount [before [ ] and [●] per Calculation Amount after [ ]]
19	Early Redemption Amount (Withholding):		[●] per Calculation Amount [before [ ] and [●] per Calculation Amount after [ ]]
20	Early Redemption Amount (Tax Law Change):		[●] per Calculation Amount [before [ ] and [●] per Calculation Amount after [ ]]
21	Rating Capital Event:		
	(i)	Early Redemption Amount (Rating):	[●] per Calculation Amount [before [ ] and [●] per Calculation Amount after [ ]]
22	Accounting Event:		
	(i)	Early Redemption Amount (Accounting):	[●] per Calculation Amount [before [ ] and [●] per Calculation Amount after [ ]]
	(ii)	Accounting Treatment	[financial liability]/[equity]
23	Substitution or Variation**:**		Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:		Bearer Notes
	(i)	Form:	Global Note exchangeable for Definitive Notes upon an Exchange Event
	(ii)	New Global Note:	[Yes/No]
25	Additional Financial Centre(s):		[Not Applicable] [●]

26	Talons for future Coupons to be attached to Definitive Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

Signed on behalf of British American Tobacco p.l.c.:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1	**LISTING**		
	(i)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the main market of the London Stock Exchange plc with effect from [●].]
	(ii)	Estimate of total expenses related to admission to trading:	[●]
2	**RATINGS**		
	Ratings:		[The Issuer has not applied, and does not intend to apply, for a credit rating to be assigned to the Notes] [The Notes to be issued [have been/are expected to be] rated]: [Fitch Ratings Ltd ("Fitch"): [●]] An obligation rated '[●]'. [*Insert definition of rating*] [Moody's Investors Service Ltd ("Moody's"): [●]] An obligation rated '[●]'. [*Insert definition of rating*] [S&P Global Ratings UK Limited ("S&P"): [●]] An obligation rated '[●]'. [*Insert definition of rating*]
3	**[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]**		
	[Save for the fees [of *[insert relevant fee disclosure]*] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, and may perform other services for the Issuer and its affiliates in the ordinary course of business.]		
4	**YIELD**		
	Indication of yield:		[●] to the First Reset Date
5	**USE OF PROCEEDS AND ESTIMATED NET PROCEEDS**		
	Use of Proceeds:		[●]
	Estimated net proceeds:		[●]
6	**OUTSTANDING DEEPLY SUBORDINATED NOTES**		[●]
7	**OUTSTANDING ORDINARY SUBORDINATED NOTES**		[●]
8	**OPERATIONAL INFORMATION**		
	(i)	ISIN:	[●]
	(ii)	Common Code:	[●]

(iii)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable]/[●]
(iv)	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable]/[●]
(v)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(vi)	[Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*Advice should be taken from Belgian counsel before disapplying this selling restriction*)]
(vii)	Prohibition of Sales to EEA Retail Investors:	Applicable
(viii)	Prohibition of Sales to UK Retail Investors:	Applicable

9 **[THIRD PARTY INFORMATION]**

[[●]] has been extracted from [●]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

10 **REPLACEMENT INTENTION**

[*The following paragraph does not form part of the Conditions.*

The Issuer intends (without thereby assuming a legal obligation) that it will (but is not obliged to) redeem or repurchase the Notes only to the extent that the Notes are replaced with instrument(s) which provide at least an equivalent quantum of "equity credit" (or such other nomenclature used from time to time), unless:

(i) the Notes are redeemed pursuant to a Rating Capital Event, a Tax Deductibility Event, a Tax Law Change Event, an Accounting Event or a Withholding Tax Event having occurred; or

(ii) such redemption or repurchase is made in any other circumstance where redemption or repurchase without replacement is consistent with rating agencies' assessment criteria.

[Provide any alternative replacement intention, or none]]

FORM OF THE NOTES

The Notes of each Series will be in bearer form, with or without Coupons and Talons attached, but will be issued so as to be in registered form for United States federal income tax purposes. Accordingly, as further described below, Noteholders will only be entitled to obtain definitive Notes in bearer form upon the occurrence of an Exchange Event (as defined below).

Each Tranche of Notes will be initially issued in the form of a permanent global note (a "Global Note"). The relevant Global Note will be delivered on or prior to the original issue date of the Tranche (if the relevant Global Note is an NGN) to a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (if the relevant Global Note is a CGN) to a Common Depositary for Euroclear and Clearstream, Luxembourg.

Each Global Note, definitive Notes and Talon will include a legend which states that the Notes have not been and are not required to be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and that the Notes may not be offered, sold or otherwise transferred in the absence of such registration or unless such transaction is exempt from, or not subject to, such registration. Such legend will further state that the Notes are being offered and sold outside the United States in compliance with Regulation S promulgated under the Securities Act and that the Notes may not be offered, sold or otherwise transferred within the United States or to or for the account or benefit of US persons (i) as part of their distribution at any time, or (ii) until 40 days after the completion of the distribution of all notes of the tranche of which those notes are a part, as determined and certified to the Dealers or, in the case of notes issued on a syndicated basis, the lead manager, by the Principal Paying Agent, except in either case in accordance with Regulation S under the Securities Act. Terms used in such legend will have the meanings given to them by Regulation S.

If the relevant Global Note is stated in the applicable Final Terms to be issued in NGN form, on or prior to the original issue date of the Tranche, the Global Note will be delivered to a common safekeeper and the applicable Final Terms will set out whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem. The fact that Notes are intended to be held in a manner which would allow Eurosystem eligibility simply means that the Notes are intended upon issue to be deposited with one of Euroclear and 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 Eurosystem eligibility criteria have been met.

If the relevant Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the relevant Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the relevant Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Payments of principal, interest (if any) or any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Global Note if the Global Note is a CGN).

If the relevant Global Note is a CGN, a record of each payment so made will be endorsed on the Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is an NGN, the relevant Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and

represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the relevant Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

The applicable Final Terms will specify that a Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, Coupons and Talons attached only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) both Euroclear and Clearstream, Luxembourg have terminated their businesses without a successor clearing organisation being available or (ii) the relevant Issuer has requested the issuance of definitive Notes upon a change in tax law that would be adverse to such Issuer but for the issuance of definitive Notes in bearer form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 of the Conditions of the Senior Notes or Condition 17 of the Conditions of the Subordinated Notes (as applicable) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent. The following legend will appear on all definitive Notes, Coupons and Talons in bearer form with a maturity of more than one year:

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

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, Coupons or Talons in bearer form and will not be entitled to capital gains treatment on any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, Coupons or Talons.

Notes which are represented by a Global Note will only be transferable to a successor clearing organisation subject to the same terms, in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Senior Notes*" and "*Terms and Conditions of the Subordinated Notes*" above) the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the relevant Guarantors (if applicable) and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the relevant Issuer, the relevant Guarantors (if applicable) and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and

the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

Any reference in this Base Prospectus to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Obligors, the Principal Paying Agent and the Trustee.

No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantors (if applicable) unless the Trustee, having become bound so to proceed, fails or is unable so to do within 60 days and such failure or inability shall be continuing.

CREST Depositary Interests

If so specified in the applicable Final Terms, following the delivery of an issue of Senior Notes into Euroclear and/or Clearstream, Luxembourg (the "Relevant Clearing Systems" and each a "Relevant Clearing System"), investors may also hold interests in Senior Notes denominated in Sterling, euro or US dollars through CREST through the issuance of CREST Depository Interests or CDIs issued, held, settled and transferred through CREST, representing interests in the Underlying Notes. CREST Depository Interests are independent securities distinct from the Senior Notes, constituted under, and governed by, English law and transferred through CREST and will be issued by CREST Depository pursuant to the CREST Deed Poll.

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the "CREST Nominee") in the Underlying Notes. Pursuant to the CREST Manual (as defined below), Senior Notes held in global form by the common depositary or common safekeeper may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities distinct from the Senior Notes, constituted under English law, and may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee's account with a Relevant Clearing System and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs ("CDI Holders") any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holders. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Notes and other relevant notices issued by the relevant Issuer.

Transfers of interests in Underlying Notes by a CREST participant to a participant of a Relevant Clearing System will be effected by cancellation of the corresponding CDIs and transfer of an interest in such Underlying Notes to the account of the relevant participant with a Relevant Clearing System.

The CDIs will have the same ISIN as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Senior Notes represented by CDIs are referred to Chapter 6 (Crest International Manual) of the CREST Manual issued by Euroclear UK & Ireland (including the CREST International Manual dated 7 January 2026) as amended, modified, varied or supplemented from time to time (the "CREST Manual") which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, the Relevant Clearing Systems and the relevant Issuer including the CREST Deed Poll (in the form contained in Chapter 6 of the CREST International Manual (which forms part of the CREST Manual))

executed by the CREST Depository. These rights may be different from those of holders of Senior Notes which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the "CREST International Settlement Links Service"). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

(a) CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.

(b) The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a Relevant Clearing System. Rights in the Underlying Notes will be held through custodial and depositary links through the appropriate Relevant Clearing Systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the Relevant Clearing System in or through which the Underlying Notes are held.

(c) Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in Relevant Clearing Systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

(d) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST Manual and the CREST Rules (the "CREST Rules") (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.

(e) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.

(f) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website (at 18 March 2026, being at https://www.euroclear.com/en.html).

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

(h) Potential investors should note that none of the Obligors, the relevant Dealer, the Trustee and the Agents will have any responsibility for the performance by any intermediaries or their respective direct or

indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

(i) It is anticipated that Senior Notes eligible for CREST settlement as CDIs will be issued in the form of a permanent Global Note. Potential investors should note that Senior Notes will not be immediately eligible for CREST settlement as CDIs. Potential investors investing in the Underlying Notes through CDIs will only receive the CDIs 40 days after the completion of the distribution of the tranche of the relevant Senior Notes.

(j) Potential investors should be aware that the creation of CDIs relating to the Senior Notes could, if not completed correctly, result in a taxable charge for stamp duty reserve tax payable by such investors. A person creating a CDI will be required to provide confirmation to Euroclear that the Senior Notes are exempt from the requirements to pay stamp duty reserve tax.

TAXATION

United Kingdom

The following is a general summary of the Issuers' understanding of certain aspects of current United Kingdom tax law as applied in England and Wales and published HM Revenue & Customs ("HMRC") practice (which may not be binding on HMRC) relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes and is not intended to be exhaustive. The following assumes that there will be no substitution of any Issuer and does not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the applicable terms and conditions of the Notes). It relates only to persons who are the absolute beneficial owners of the Notes and related Coupons and may not apply to certain classes of persons such as dealers or certain professional advisors. It does not necessarily apply where the income is deemed for tax purposes to be the income of any other person.

Any Noteholders who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should seek independent professional advice without delay.

Withholding Tax on Interest Paid by BATIF as Issuer

Payments of interest made in respect of Senior Notes issued by BATIF ("UK Notes") which carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 may be made without withholding or deduction for or on account of United Kingdom income tax (the "Quoted Eurobond exemption").

The main market of the London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the main market of 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) of the FCA and admitted to trading on the main market of the London Stock Exchange.

Payments of interest in respect of UK Notes issued for a term of less than one year (and which are not issued under a scheme or arrangement the intention or effect of which is to render the UK Notes capable of being part of a borrowing with a total term of one year or more) may also be paid by BATIF without withholding or deduction for or on account of United Kingdom income tax.

In other cases an amount must generally be withheld from payments of interest by BATIF on UK Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other exemptions and reliefs under domestic law, or to any direction to the contrary from HMRC in respect of such reliefs as may be available under the provisions of an applicable double taxation treaty. From April 2027, provisions in the Finance (No.2) Bill 2024-2026 first published on 4 December 2025 provide that the rate of withholding will be equal to a new savings basic rate of income tax of 22 per cent.

If UK Notes are issued at a discount to their principal amount, any such discount element should not generally be subject to any withholding or deduction for or on account of United Kingdom income tax. If UK Notes are redeemed at a premium to their principal amount (as opposed to being issued at a discount) then, depending on the circumstances, such premium may constitute a payment of interest for United Kingdom tax purposes and hence be subject to the United Kingdom withholding tax rules outlined above.

Withholding Tax on Interest Paid by BATNF or BATCAP as an Issuer

Payments of interest made in respect of Senior Notes issued by BATNF or BATCAP, each, in this section and the next section, referred to as an Issuer and, together, the Issuers ("Non-UK Notes"), may be paid by the Issuers without withholding or deduction for or on account of United Kingdom income tax except in circumstances when such interest has a United Kingdom source. Interest on Non-UK Notes may have a

United Kingdom source if, for example, the interest on the Non-UK Notes is principally funded by assets situated in the United Kingdom.

Withholding Tax on Interest Paid by BAT as Issuer

Payments of interest made in respect of Subordinated Notes issued by BAT which carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 may be made without withholding or deduction for or on account of United Kingdom income tax (the "Quoted Eurobond exemption").

The main market of the London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the main market of 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) of the FCA and admitted to trading on the main market of the London Stock Exchange.

Payments of interest in respect of Subordinated Notes issued for a term of less than one year (and which are not issued under a scheme or arrangement the intention or effect of which is to render the Subordinated Notes capable of being part of a borrowing with a total term of one year or more) may also be paid by BAT without withholding or deduction for or on account of United Kingdom income tax.

In other cases an amount must generally be withheld from payments of interest by BAT on Subordinated Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other exemptions and reliefs under domestic law, or to any direction to the contrary from HMRC in respect of such reliefs as may be available under the provisions of an applicable double taxation treaty. From April 2027, provisions in the Finance (No.2) Bill 2024-2026 first published on 4 December 2025 provide that the rate of withholding will be equal to a new savings basic rate of income tax of 22 per cent.

If Subordinated Notes are issued at a discount to their principal amount, any such discount element should not generally be subject to any withholding or deduction for or on account of United Kingdom income tax. If Subordinated Notes are redeemed at a premium to their principal amount (as opposed to being issued at a discount) then, depending on the circumstances, such premium may constitute a payment of interest for United Kingdom tax purposes and hence be subject to the United Kingdom withholding tax rules outlined above.

The following applies only where interest on the Non-UK Notes has a United Kingdom source

Payments of interest made in respect of the Non-UK Notes with a United Kingdom source may be made without withholding or deduction for or on account of United Kingdom income tax if the Quoted Eurobond exemption applies (as described above).

Payments of interest made in respect of Non-UK Notes issued for a term of less than one year (and which are not issued under a scheme or arrangement the intention or effect of which is to render the Non-UK Notes capable of being part of a borrowing with a total term of one year or more) may also be paid by each Issuer without withholding or deduction for or on account of United Kingdom income tax.

In other cases an amount must generally be withheld from payments of interest by BATNF or BATCAP (as applicable) on Non-UK Notes that have a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other exemptions and reliefs under domestic law, or to any direction to the contrary from HMRC in respect of such reliefs as may be available under the provisions of an applicable double taxation treaty. From April 2027, provisions in the Finance (No.2) Bill 2024-2026 first published on 4 December 2025 provide that the rate of withholding will be equal to a new savings basic rate of income tax of 22 per cent.

If Non-UK Notes are issued at a discount to their principal amount, any such discount element should not generally be subject to any withholding or deduction for or on account of United Kingdom income tax. If Non-UK Notes are redeemed at a premium to their principal amount (as opposed to being issued at a discount) then, depending on the circumstances, such premium may constitute a payment of interest for United Kingdom tax purposes and hence be subject to the United Kingdom withholding tax rules outlined above.

Withholding tax on payments by a guarantor or RAI

The United Kingdom withholding tax treatment of payments by a guarantor in respect of interest on the Senior Notes (or other amounts due under the Senior Notes other than the repayment of amounts subscribed for the Senior Notes) is uncertain. In particular, if BATIF or BAT is required to make a payment as a guarantor or if BATNF, BATCAP or RAI is required to make a payment as a guarantor (to the extent that such payment has a United Kingdom source) the payment may be subject to withholding or deduction for or on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs or to any direction by HMRC in respect of such reliefs as may be available under the provisions of an applicable double tax treaty. From April 2027, provisions in the Finance (No.2) Bill 2024-2026 first published on 4 December 2025 provide that the rate of withholding will be equal to a new savings basic rate of income tax of 22 per cent. Such payments may not be eligible for any of the exemptions outlined above.

The Netherlands

This section provides a general description of certain Dutch tax consequences of the acquisition, ownership and transfer of the Senior Notes issued by BATNF, in this section, referred to as the Issuer.

This summary provides general information only and is restricted to the matters of Dutch taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Dutch tax considerations that may be relevant to a decision to acquire, to hold, or to transfer the Senior Notes, and in particular this summary does not address the (potential) application of Council Directive (EU) 2022/2523 of 14 December 2022 (Pillar Two) as implemented in Dutch tax law (*Wet minimumbelasting 2024*). This summary does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as investment institutions, pension funds and dealers in securities) may be subject to special rules.

The summary provided below is based on the tax laws of The Netherlands as in effect on the date of this Base Prospectus and as applied and interpreted in case law of the courts of The Netherlands and in administrative guidance of the relevant authorities of The Netherlands, in each case available in printed form on or before such date, without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect. All references in this section to The Netherlands and Dutch tax, taxation or law are to the European part of the Kingdom of The Netherlands and its tax, taxation or law, respectively, only.

For Dutch tax purposes, a Noteholder may include an individual who, or an entity that, does not have the legal title to the Senior Notes, but to whom nevertheless the Senior Notes are attributed based either on such individual or entity holding a beneficial interest in the Senior Notes or based on specific statutory provisions, including statutory provisions pursuant to which the Senior Notes are attributed to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Senior Notes.

Noteholders (and prospective Noteholders) should consult their own tax advisors as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Senior Notes, including, in particular, the application to their particular situations of the tax considerations discussed below.

The Issuer has been advised that the following Dutch tax treatment will apply to the Senior Notes, provided that:

(i) in each and every respect the terms and conditions of this Base Prospectus, the Supplements, the Senior Notes, the Final Terms and any other documents relating to the Senior Notes, the performance by the parties thereto of their respective obligations and the exercise of their rights thereunder and the transactions contemplated therein, including, without limitation, all payments made thereunder, are at arm's length as this term is understood under Netherlands tax law; and

(ii) no Senior Notes will be issued under such terms and conditions that they actually function as equity of the Issuer within the meaning of article 10, paragraph 1, under d, of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Withholding Tax

All payments made by the Issuer of interest and principal under the Senior Notes may be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, except that Dutch conditional withholding tax (at a rate equal to the highest Dutch corporate income tax rate applicable in the relevant year) may be due on (deemed) payments of interest and principal under the Senior Notes ("Interest Payment") by the Issuer pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) in the following situations:

(i) in case the Issuer is related (*gelieerd*) (within the meaning set out below) to the entity entitled to such Interest Payment (*voordeelgerechtigde*) and such related recipient entity (a) is (deemed) resident in a low tax jurisdiction (*laagbelastende jurisdictie*) (within the meaning set out below) or (b) has a permanent establishment in such low tax jurisdiction to which the Interest Payment is allocated (*worden toegerekend*);

(ii) in case the related recipient entity is not (deemed) resident in a low tax jurisdiction (a) such entity is entitled to the Interest Payment with the main purpose or one of the main purposes of avoiding the levy of tax (*belasting*) in the hands of another person or entity and (b) there is an artificial arrangement or transaction, or a series of artificial arrangements or transactions. An arrangement or transaction, or series of arrangements or transactions, shall be regarded as artificial to the extent that it is not put into place for valid commercial reasons, which reflect economic reality;

(iii) in case a related entity is from a Dutch tax perspective regarded the recipient of the Interest Payment, whereas such related recipient entity is not regarded as the recipient (*gerechtigde*) thereof pursuant to the laws of the country in which such entity is (deemed) located (*gevestigd*), because that country treats an entity in which the related recipient holds an interest as the recipient of the Interest Payment;

(iv) in case a related entity is from a Dutch tax perspective regarded the recipient of the Interest Payment, whereas such related recipient entity is not regarded as the recipient (*gerechtigde*) thereof pursuant to the laws of the country pursuant to which such entity is established (*opgericht*), because that related recipient entity is not (deemed) located (*gevestigd*) in such country pursuant to the laws of such country and such related recipient is also not regarded to be located in another country pursuant to the laws of such other country; and/or

(v) in case the related recipient entity is a reverse hybrid entity (*omgekeerd hybride lichaam*), to the extent that a relevant participant (*achterliggence gerechtigde*) (a) has a qualifying interest (*kwalificerend belang*) in the reverse hybrid entity, (b) is located (*gevestigd*) in a jurisdiction that does not treat the reverse hybrid entity as a taxpayer for purposes of a profit tax, and (c) would have been subject to Dutch withholding tax based on one (or more) of the situations described in (i)-(iv) above, had such participant been entitled to such Interest Payment directly.

For the sake of completeness, Dutch withholding tax may also be due on Interest Payments made by BATNF in its capacity as Guarantor of Senior Notes issued by BATIF or BATCAP, in the same situations as described in (i)-(v) above.

Interest payments

The term 'interest' refers to any remuneration, payment or benefit of whatever nature for moneys advanced pursuant to a loan (*geldlening*) or equivalent agreement such as, for instance, financial lease. This includes interest accrual and the compensation of costs.

Related entities

Entities (*lichamen*) are related to the Issuer for purposes of the application of the Dutch Withholding Tax Act 2021 if (i) the recipient entity (alone or together with other entities forming a qualifying unity) has a qualifying interest in the Issuer, (ii) the Issuer (alone or together with other entities forming a qualifying unity) has a qualifying interest in the recipient entity, or (iii) a third party (alone or together with other entities forming a qualifying unity) has a qualifying interest in both the recipient entity as well as the Issuer.

Qualifying interest

An interest in an entity is considered a 'qualifying interest' if directly or indirectly the influence in the decision making is such that the decisions of an entity and thus its activities can be determined. In any case, an interest is qualifying if it represents more than 50 per cent. of the statutory voting rights in an entity.

Qualifying unity

Entities are considered to form a qualifying unity (*kwalificerende eenheid*) if those entities are acting jointly with the main purpose or one of the main purposes of avoiding the levy of Dutch conditional withholding tax in respect of one of those entities.

Relevant participant

A relevant participant (*achterliggende gerechtigde*) is an entity holding voting rights, capital interests and/or profit rights in a reverse hybrid entity.

Low tax jurisdictions

A jurisdiction qualifies as a low tax jurisdiction for purposes of the Dutch Withholding Tax Act 2021 if it is listed in an annually updated ministerial decree published by the Dutch government which includes jurisdictions (i) with a profit tax applying a statutory rate of less than 9 per cent. (updated annually based on an assessment as per 1 October of the preceding year) or (ii) included on the EU list of non-cooperative jurisdictions in the preceding year.

Reverse hybrid entity

A reverse hybrid entity is an entity established under Dutch law or a foreign (non-Dutch) entity located in the Netherlands that is treated as transparent from a Dutch tax perspective, whereas the jurisdiction or jurisdictions of one or more affiliated participants holding directly or indirectly in aggregate at least 50 per cent. of the voting rights, capital interests or profit rights in such entity, qualify the entity as a taxpayer for purposes of a profit tax. A participant is considered 'affiliated' if it (alone or together with other entities forming a cooperating group) holds a direct or indirect interest of 25 per cent. or more of the voting rights, capital interest or profit rights in the entity.

Taxes on Income and Capital Gains

A Noteholder who derives income from a Senior Note or who realises a gain from the transfer or redemption of a Senior Note will not be subject to Dutch personal income tax or Dutch corporate income tax (as applicable) on such income or gain, provided that such Noteholder:

(i) is neither resident nor deemed to be resident in The Netherlands for Dutch tax purposes;

(ii) does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in or a co-entitlement to the net worth of an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands and to which enterprise or part of that enterprise, as the case may be, the Senior Notes are attributable;

(iii) in the event such person is not an individual, is neither a resident nor a deemed resident of Aruba, Curacao or Sint Maarten that has an enterprise or deemed enterprise that is carried on through a permanent establishment or a permanent representative situated on Bonaire, Sint Eustatius or Saba to which enterprise or deemed enterprise the Senior Notes or payments in respect of the Senior Notes are attributable;

(iv) in the event such person is not an individual, is neither entitled to a share in the profits of an enterprise effectively managed in The Netherlands nor co-entitled to the net worth of such enterprise, other than by way of the holding of securities, to which enterprise the Senior Notes or payments in respect of the Senior Notes are attributable;

(v) in the event such person is an individual, is not entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the Senior Notes or payments in respect of the Senior Notes are attributable;

(vi) in the event such person is an individual, is a Noteholder for whom neither the acquisition of the Senior Notes nor income or capital gains derived from the Senior Notes are attributable to a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or a management role, the income of which is taxable in The Netherlands;

(vii) in the event such person is not an individual, is a Noteholder for whom neither the acquisition of the Senior Notes nor income or capital gains derived from the Senior Notes are attributable to a membership of a management board or a supervisory board, the income of which is taxable in The Netherlands;

(viii) in the event such person is an individual, does not have, and certain persons related or deemed related to that Noteholder do not have, directly or indirectly, a substantial interest (*aanmerkelijk belang*) as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), in (a) the Issuer, or (b) in any company that has, or that is part of a co-operation (*samenwerkingsverband*) that has, legally or in fact, directly or indirectly, the disposition of any part of the proceeds of the Senior Notes within the meaning of article 3.92 of the Dutch Income Tax Act 2001;

(ix) in the event such person is not an individual, does not have, directly or indirectly, a substantial interest as defined in the Dutch Income Tax Act 2001, in the Issuer, or, in the event that the Noteholder does have such interest, either (a) the Noteholder does not hold such interest with the main purpose or one of the main purposes to avoid the levy of income tax (*inkomstenbelasting*) of another person or entity, or (b) there is no artificial arrangement or transaction or a series of artificial arrangements or transactions. An arrangement or transaction or series of arrangements or transactions shall be regarded as artificial to the extent that it is not put into place for valid commercial reasons which reflect economic reality; and

(x) does not derive benefits from the Senior Notes that are taxable as benefits from miscellaneous activities in The Netherlands (*resultaat uit overige werkzaamheden in Nederland)* as defined in the Dutch Income Tax Act 2001, which include, but are not limited to, activities in respect of the Senior Notes which are beyond the scope of “regular active portfolio management” (*normaal, actief vermogensbeheer*).

Gift and Inheritance Taxes

No Dutch gift or inheritance taxes will arise in The Netherlands with respect to the acquisition of the Senior Notes by way of gift by, or on the death of, a Noteholder who is neither resident nor deemed to be resident in The Netherlands for the purpose of the relevant provisions, unless:

(i) such acquisition is construed as an inheritance, a bequest or a gift by or on behalf of a person who, at the time of the gift or their death, is or was a resident or a deemed resident of The Netherlands for the purpose of the relevant provisions;

(ii) in the case of a gift of the Senior Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands; or

(iii) the gift is made under a condition precedent and such holder is or is deemed to be a resident of The Netherlands at the time the condition is fulfilled.

For the purpose of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of The Netherlands at the date of the gift or the date of their death if they had been a resident of The Netherlands at any time during the ten years preceding the date of the gift or the date of their death.

For the purposes of Dutch gift tax, an individual will, irrespective of their nationality, be deemed to be a resident of The Netherlands at the date of the gift if they had been a resident of The Netherlands at any time during the 12 months preceding the date of the gift.

Value added Tax

No Dutch value added tax (*omzetbelasting*) will be payable by a Noteholder in consideration for the issue of the Senior Notes (other than value added taxes on fees payable in respect of services not exempt from Dutch value added tax).

Other taxes and duties

No Dutch registration tax, stamp duty or any other similar tax or duty will be payable in The Netherlands by a Noteholder in respect of or in connection with the acquisition, ownership or transfer of the Senior Notes.

Residence

A Noteholder will not become or be deemed to become a resident of The Netherlands for tax purposes by reason only of the acquisition, ownership or transfer of the Senior Notes.

United States

In respect of Senior Notes issued by BATCAP, BATCAP has been advised that under current United States federal income and estate tax law, and subject to the discussion below concerning backup withholding and FATCA:

(i) payments of principal of and interest on such Senior Notes by BATCAP or by any Guarantor to any United States Alien holder (as defined below) will not be subject to United States withholding tax, provided that, in the case of interest, appropriate certifications (including IRS Form W-8BEN, IRS Form W-8BEN-E or other successor form) are obtained or provided, and that the holder:

  (a) does not actually or constructively (taking into account applicable attribution rules) own ten per cent. or more of the total combined voting power of all classes of stock of BATCAP entitled to vote;

  (b) is not a controlled foreign corporation related to BATCAP through stock ownership; and

(c) is not a bank receiving interest described in Section 881(c)(3)(A) of the Code;

(ii) any gain realised by a United States Alien holder on the sale, exchange or redemption of a Senior Note will not be subject to United States federal income tax unless:

(a) the United States Alien holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the taxable year of the sale, exchange or redemption and certain other conditions are met;

(b) the gain is effectively connected with the conduct of a United States trade or business by the United States Alien holder, or if required by an applicable income tax treaty, is generally attributable to a United States "permanent establishment" maintained by the United States Alien holder; or

(c) the United States Alien holder is subject to tax pursuant to provisions of the United States federal tax law applicable to certain United States expatriates;

(iii) if interest or gain on a sale of a Senior Note is effectively connected with the conduct of a trade or business within the United States by a United States Alien holder, the interest, although exempt from withholding tax, and the gain will be subject to the United States federal income tax on net income that applies to United States persons (defined below) generally. In addition, if a United States Alien holder is a foreign corporation, it may be subject to a branch profits tax equal to 30 per cent. (or lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments; and

(iv) a Senior Note, held by an individual who at the time of death is not a citizen or resident of the United States, will not be subject to United States federal estate tax as a result of such individual's death, provided that the individual does not actually or constructively (taking into account applicable attribution rules) own ten per cent. or more of the total combined voting power of all classes of stock of BATCAP entitled to vote and, at the time of the individual's death, payments of interest on such Senior Note would not have been effectively connected with the conduct by such individual of a trade or business in the United States.

Certain United States Alien holders who are United States expatriates are subject to special federal income tax rules and are urged to consult their own tax advisors regarding the tax consequences to them of holding and disposing of Senior Notes.

Backup withholding and information reporting

Under current United States federal income tax law and regulations, certain information reporting requirements generally apply to interest and principal payments made to, and to the proceeds of sales of debt obligations before maturity by, certain non-corporate holders that are United States persons, and a "backup" withholding tax may be applied to persons who fail to supply correct taxpayer identification numbers and other information or otherwise identify themselves. Backup withholding and in some instances information reporting will not apply to payments of interest made outside the United States by BATCAP (or any Guarantor) or a paying agent on a Senior Note, provided in each case that the holder has complied with applicable certification requirements and BATCAP (or any Guarantor) or the Paying Agent, as the case may be, does not have actual knowledge that the beneficial owner is a United States person. In addition, if payment of the proceeds of the sale of a Senior Note is collected outside the United States by a foreign office of a custodian, nominee or other agent acting on behalf of a beneficial owner of a Senior Note, such custodian, nominee or other agent will not be required to apply backup withholding or information reporting to payments made to such owner. However, if such custodian, nominee or other agent is a United States person, a controlled foreign corporation for United States tax federal purposes, or a foreign person 50 per cent. or more of whose gross income is from a United States trade or business for a specified three-year period, or a foreign partnership that, at any time during its taxable year, is 50 per

cent. or more owned (by income or capital interest) by United States persons or is engaged in the conduct of a United States trade or business, such payments may be subject to information reporting unless the custodian, nominee or agent has sufficient documentary evidence in its records that the beneficial owner is not a United States person and certain conditions are met, or the beneficial owner otherwise establishes an exemption with respect to such payment. If payments of interest, principal or the proceeds of the sale of a Senior Note are collected by the United States office of a custodian, agent or nominee acting on behalf of the beneficial owner, information reporting and backup withholding will apply to payments made by such custodian, agent or nominee to the beneficial owner unless such owner certifies under penalty of perjury that it is not a United States person or otherwise establishes an exemption. The backup withholding rate is currently equal to 24 per cent.

FATCA

A 30 per cent. United States federal withholding tax may apply to interest income paid on Senior Notes issued by BATCAP to (i) a "foreign financial institution" (as specifically defined in the Code), whether such foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution agrees to verify, report and disclose its "United States account" holders (as specifically defined in the Code) and meets certain other specified requirements or (ii) a "non-financial foreign entity" (as specifically defined in the Code), whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such entity provides a certification that the beneficial owner of the payment does not have any substantial United States owners or provides the name, address and taxpayer identification number of each substantial United States owner and certain other specified requirements are met. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. Intergovernmental agreements between the United States and certain other countries may modify the foregoing rules. Holders should consult their tax advisors regarding the applicability of these rules to their holding of Senior Notes issued by BATCAP.

General

As used in this section, "United States person" means any citizen or resident of the United States, a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof (other than a partnership that is not treated as a United States person under applicable United States Treasury regulations), an estate the income of which is subject to United States federal income taxation regardless of its source and a trust if either (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all subsequent decisions of the trust or (ii) the trust has a valid election in place to be treated as a United States trust; and "United States Alien" means any person that is not a United States person.

The discussion above relates to certain material aspects of current United States federal income and estate tax law arising as a result of the holding and disposing of Senior Notes or receiving interest on Senior Notes by United States Alien holders who purchased Senior Notes in connection with an offering at the initial offering price. As discussed under "*Form of the Notes*" above, the Senior Notes issued by BATCAP will be issued so as to be in registered form for United States federal income tax purposes. This discussion assumes that no Exchange Event will occur and that no definitive Notes in bearer form will be issuable to holders. The discussion above does not address any other United States federal, state or local tax issues nor does it address the United States federal tax consequences of ownership of Senior Notes not held as capital assets within the meaning of Section 1221 of the Code, or the United States federal income tax consequences to investors subject to special treatment under the United States federal income tax laws. The above discussion is based on the Code, regulations, rulings and judicial decisions as of the date hereof, all of which are subject to change or differing interpretations at any time and in some circumstances

with retroactive effect. Any such subsequent developments in these areas could have a material effect on the foregoing summary.

FATCA Withholding with Respect to Notes Issued by BAT, BATIF and BATNF

This discussion of FATCA applies to Senior Notes issued by BATIF and BATNF and Subordinated Notes issued by BAT, and does not apply to Notes issued by BATCAP. Pursuant to certain provisions of the Code commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. Each Issuer is not a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom and The Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to such payments made prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the US Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published in the United States Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant Issuer). However, if additional notes (as described under "*Terms and Conditions of the Senior Notes — Further Issues*" and "*Terms and Conditions of the Subordinated Notes — Further Issues*", as applicable) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay Additional Amounts as a result of the withholding.

General

THE ABOVE SUMMARIES ARE NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF NOTES. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS CONCERNING THE CONSEQUENCES OF AN INVESTMENT IN THE NOTES AND OF THEIR PARTICULAR SITUATION.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (such Programme Agreement as amended and/or supplemented and/or restated from time to time, the "Programme Agreement") dated 18 March 2026, agreed with the Obligors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*", "*Terms and Conditions of the Senior Notes*" and "*Terms and Conditions of the Subordinated Notes*" (as applicable). The Programme Agreement provides that the obligation of any Dealer under any such agreement is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under any such agreement prior to the issue of the relevant Notes, including in the event that certain conditions precedent are not delivered or met to its satisfaction on the Issue Date. In this situation, the issue of the relevant Notes may not be completed. Investors will have no rights against the relevant Obligor(s) or any Dealer in respect of any expense incurred or loss suffered in these circumstances. In the Programme Agreement, the Obligors have agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be offered outside the United States to non-US persons in accordance with Regulation S. BAT, BATIF, BATCAP and BATNF are Category 2 issuers for the purposes of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, US persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

By purchasing Notes of any tranche, holders will be deemed to have represented that they are not a US person (as defined in Regulation S) or purchasing such Notes for the account or benefit of a US person, other than a distributor, and they are purchasing such Notes in an offshore transaction in accordance with Regulation S. This Base Prospectus has been prepared by the Issuers for use in connection with the offer and sale of Notes outside the United States. Each of the Issuers reserves the right to reject any offer to purchase the Notes issued by such Issuer, in whole or in part, for any reason, and each of the Dealers reserves the right to reject any offer to purchase any of the Notes, in whole or in part for any reason. This

Base Prospectus does not constitute an offer to any person in the United States or to any US person. Distribution of this Base Prospectus by any non-US person outside the United States to any US person or to any other person within the United States other than those persons, if any, retained to advise such non-US person with respect thereto, is unauthorised and any disclosure without the prior written consent of the relevant Issuer of any of its contents to any such US person or other person within the United States, other than those persons, if any, retained to advise such non-US person is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(A) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(B) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(A) the expression "retail investor" means a person who is either one (or both) of the following:

  (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and

(B) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer:

(A) at any time where the offer is conditional on the admission of the Notes to trading on the London Stock Exchange plc's main market (in reliance on the exemption in paragraph 6(a) of Schedule 1 to the POATRs);

(B) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(C) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer;

(D) at any time if the denomination per Note being offered amounts to at least £50,000 (or equivalent); or

(E) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes and the expression "POATRs" means the Public Offers and Admissions to Trading Regulations 2024.

Other Regulatory Restrictions

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

(A) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is

reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(B) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantors; and

(C) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless otherwise specified in the applicable Final Terms it will not make an offer of Notes in The Netherlands unless such offer is made exclusively to persons who or legal entities which are qualified investors (*gekwalificeerde beleggers*) as defined in section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) of The Netherlands.

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations (which include registration requirements). Such restrictions do not apply (a) to the initial issue of Zero Coupon Notes to the first holders thereof, (b) to a transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (c) to a transfer and acceptance of Zero Coupon Notes in definitive form within, from or into The Netherlands if all Zero Coupon Notes of any particular series are issued outside The Netherlands and are not distributed within The Netherlands in the course of their initial distribution or immediately thereafter. For the purposes of this paragraph, "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Republic of Italy

An offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to any Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*) as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and Italian CONSOB regulations; or

(ii) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Financial Services Act, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (i) or (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of

1 September 1993, as amended from time to time (the "Banking Act") and CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1, 2º of the Belgian Code of Economic Law, as amended from time to time (a "Belgian Consumer") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Japan

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

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the Final Terms, no action has been or will be taken in any country or jurisdiction by the relevant Issuer or any of the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands

this Base Prospectus or any Final Terms comes are required by the relevant Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change or changes in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the preceding paragraph.

Selling Restrictions may be supplemented or modified with the agreement of the Issuers.

GENERAL INFORMATION

1 The admission to trading of the Notes on the Market will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Notes intended to be admitted to the Official List and admitted to trading on the Market will be so admitted to trading upon submission to the FCA and the London Stock Exchange of the applicable Final Terms and any other information required by the FCA and the London Stock Exchange, subject in each case to the issue of the relevant Notes.

2 The admission of the Programme to the Official List and to trading on the London Stock Exchange is expected to take effect on or around 20 March 2026. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the Market will normally be effected for delivery on the third working day after the day of the transaction.

3 The establishment of the Programme and the issue of Notes and the execution by each Obligor of the documents relating thereto and the incurring by each Obligor of its obligations as Issuer and/or Guarantor thereunder have been duly authorised (i) in the case of BAT, by resolutions of Meetings of the Board of Directors on 18 June 1998, 5 March 1999, 24 May 2000, 28 July 2000, 14 April 2003, 20 February 2004, 29 October 2007, 25 February 2014, and 25 April 2017, by resolutions of the Executive Committee of the Board of Directors on 24 April 2002 and 24 June 2002, by resolutions of the Transactions Committee of the Board of Directors on 11 April 2005, 21 November 2005, 16 November 2006, 20 November 2007, 21 November 2008, 17 November 2009, 19 November 2010, 23 November 2011, 30 November 2012, 29 November 2013, 12 May 2014, 23 April 2015, 3 May 2016, 10 May 2018, 23 April 2019, 3 February 2020, 28 January 2021, 22 February 2022, 31 January 2023, 7 February 2024, 4 February 2025 and 19 February 2026 and by resolutions of a Committee of the Board of Directors on 1 July 1998; (ii) in the case of BATIF, by resolutions of Meetings of the Board of Directors on 30 June 1998, 23 February 1999, 23 May 2000, 24 July 2000, 24 June 2002, 14 April 2003, 25 February 2004, 12 April 2005, 21 November 2005, 23 November 2006, 23 November 2007, 21 November 2008, 25 November 2009, 19 November 2010, 23 November 2011, 30 November 2012, 29 November 2013, 15 May 2014, 24 April 2015, 6 May 2016, 27 April 2017, 10 May 2018, 24 April 2019, 4 March 2020, 28 January 2021, 22 February 2022, 31 January 2023, 14 February 2024, 4 February 2025 and 23 February 2026; (iii) in the case of BATNF, by resolutions of Meetings of the Board of Directors on 12 May 2014, 28 April 2015, 11 May 2016, 22 May 2017, 15 May 2018, 29 April 2019, 26 February 2020, 29 January 2021, 22 February 2022, 30 January 2023, 15 February 2024, 14 February 2025 and 5 March 2026; and (iv) in the case of BATCAP, by resolutions of Meetings of the Board of Directors on 20 April 2017, 11 May 2018, 25 April 2019, 26 March 2020, 2 February 2021, 10 February 2022, 13 February 2023, 12 February 2024, 16 January 2025 and 19 February 2026. The accession of RAI as an Additional Guarantor pursuant to the Programme, the execution of the documents relating thereto and the incurring of its obligations thereunder have been duly authorised by resolutions of Meetings of the RAI Board of Directors on 25 July 2017.

4 Save as disclosed in the section "*BAT and the Group – Contingent liabilities and financial commitments*" of this Base Prospectus (pages 73 to 105 inclusive), there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any Obligor or RAI and their respective subsidiaries taken as a whole is aware) during the period covering at least the 12 months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of any Obligor or RAI and their respective subsidiaries taken as a whole. Since many of the pending cases seek unspecified damages it is not possible to quantify the total amount being claimed.

5 There has been no significant change in the financial performance or financial position of BAT, BATIF, BATNF, BATCAP or RAI and their respective subsidiaries taken as a whole since 31 December 2025, nor has there been any material adverse change in the prospects of BATIF, BATNF, BAT, BATCAP or RAI and their respective subsidiaries taken as a whole since 31 December 2025.

6 In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

7 The auditors of BAT and BATIF made reports under section 495 of the Companies Act 2006 (the "Companies Act") in respect of the statutory accounts, and each report in respect of the 12 months ended 31 December 2024 and 31 December 2025 was an unqualified report and did not contain a statement under sections 498(2) and (4) of the Companies Act.

8 The auditors of BAT and BATIF are KPMG LLP who are a member of the Institute of Chartered Accountants in England and Wales. KPMG have audited the accounts of BAT and BATIF in accordance with applicable law and International Standards on Auditing (UK and Ireland) for each of the two financial years ended 31 December 2024 and 31 December 2025 and issued an unqualified audit report thereon.

9 The auditors of BATNF are KPMG Accountants N.V. (Chartered Accountants and Registered Auditors (members of the Institute of Chartered Accountants in The Netherlands)) who have audited the statutory accounts of BATNF in accordance with Part 9 of Book 2 of the Dutch Civil Code for each of the two financial years ended 31 December 2024 and 31 December 2025 and issued an unqualified auditor's report thereon.

10 The auditors of BATCAP and RAI are KPMG LLP (independent auditors) who have audited the accounts of BATCAP and RAI without qualification in accordance with generally accepted auditing standards in the United States for each of the two financial years ended 31 December 2024 and 31 December 2025.

11 The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and the International Securities Identification Number (ISIN) in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The applicable Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with the identification number.

Interests in the Senior Notes may also be held through CREST through the issuance of CDIs representing the Underlying Notes.

12 None of the Issuers, the Guarantors or RAI has entered into any contract outside the ordinary course of its business which could result in any Issuer, any Guarantor or RAI being under an obligation or entitlement that is material to any Issuer's ability to meet its obligations to the holders of its Notes in respect of the Notes being issued, to any Guarantor's ability to meet its obligations under the Guarantee, or to RAI's ability to meet its obligations under the Deed of Guarantee.

13 The address of Euroclear is Euroclear SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855, Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

The address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB, United Kingdom.

14 For a period of 12 months following the date of this Base Prospectus, copies of the following documents will be available on the website of BAT (*https://www.bat.com/*):

(a) the constitutional documents of each Obligor (including an English translation of the constitutional documents of BATNF);

(b) a copy of this Base Prospectus, together with any Supplements to this Base Prospectus;

(c) the Trust Deed;

(d) the Agency Agreement;

(e) the Deed of Guarantee;

(f) the most recent publicly available audited financial statements (together in each case with the audit report thereon) of BAT (consolidated), BATIF (consolidated), BATNF (non-consolidated), BATCAP (non-consolidated) and RAI (consolidated) for the years ended 31 December 2024 and 31 December 2025;

(g) reports, letters, balance sheets, valuations and statements of experts included or referred to in this Base Prospectus (other than consent letters); and

(h) any Final Terms relating to Notes which are admitted to listing on the Official List and to trading on the Market.

The English translation referred to above is a direct and accurate translation of the original Dutch document.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are listed on the London Stock Exchange and each document incorporated by reference are available at 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 The issue price and amount of Notes to be issued under the Programme will be determined, before filing of the applicable Final Terms of each Tranche, by the relevant Issuer, the Guarantors (in respect of Senior Notes only) and the Dealer(s) at the time of issue in accordance with prevailing market conditions.

16 Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, each Obligor and their respective affiliates in the ordinary course of business. Certain of the Dealers may from time to time also enter into swap and derivative transactions with the Obligors and their respective affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial notes (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or notes of the Obligors or Obligors' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Obligors routinely hedge their credit exposure to the Obligors consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial notes and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and notes.

17 The Legal Entity Identifier (LEI) code of:

(a) BAT is 213800FKA5MF17RJKT63;

(b) BATIF is 21380041YBGOQDFAC823;

(c) BATNF is 2138009B37VJ9VOWAO51;

(d) BATCAP is 2138005GYEXN7XRHFA84; and

(e) RAI is 02S2RPPVO9RP4NEU2740.

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