

PROSPECTUS DATED 11 May 2017



**BURFORD CAPITAL PLC**

**GUARANTEED BY  
BURFORD CAPITAL LIMITED**

**FIXED INTEREST RATE OF 5.0 PER CENT. PER ANNUM**

**MATURITY DATE OF 2026**

**MANAGER**

**Peel Hunt LLP**

**AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. YOU SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN SECTION 2 (“*RISK FACTORS*”) OF THIS PROSPECTUS. YOU SHOULD ALSO READ CAREFULLY SECTION 11 (“*IMPORTANT LEGAL INFORMATION*”).**

## IMPORTANT NOTICES

### Use of defined terms in this Prospectus

**Certain terms or phrases in this Prospectus are defined in bold and subsequent references to that term are designated with initial capital letters. The locations in this Prospectus where these terms are first defined are set out in Appendix 1 of this Prospectus.**

### About this document

This document (the “**Prospectus**”) has been prepared in accordance with the Prospectus Rules of the United Kingdom Financial Conduct Authority (the “**FCA**”) and relates to the offer by Burford Capital PLC of its sterling denominated 5.0 per cent. guaranteed bonds due 2026 at 100 per cent. of their principal amount (the “**Bonds**”). Burford Capital PLC’s payment obligations under the Bonds are irrevocably and unconditionally guaranteed (the “**Guarantee**”) by Burford Capital Limited. The Bonds are transferable, unsecured debt instruments and are to be issued by Burford Capital PLC on 1 June 2017. The principal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100. The aggregate principal amount of the Bonds to be issued will be specified in the Sizing Announcement published by the Issuer via a Regulatory Information Service.

This Prospectus contains important information about Burford Capital PLC, Burford Capital Limited, the Group (as defined below), the terms of the Bonds, the terms of the Guarantee and details of how to apply for the Bonds. This Prospectus also describes the risks relevant to Burford Capital PLC, Burford Capital Limited and their respective businesses, the Group (as defined below), and risks relating to an investment in the Bonds generally. You should read and understand fully the contents of this Prospectus before making any investment decisions relating to the Bonds.

### The Issuer and the Guarantor are responsible for the information contained in this Prospectus

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In this Prospectus, references to the “**Issuer**” are to Burford Capital PLC, which is the issuer of the Bonds. References to the “**Guarantor**” are to Burford Capital Limited, which is the guarantor of the Bonds. All references to the “**Group**” are to the Guarantor and its subsidiaries taken as a whole. See Section 6 (*Description of the Issuer*) for further details of the Issuer. See Section 7 (*Description of the Guarantor and the Group*) for further details of the Guarantor and the Group.

At the date of this Prospectus, neither the Issuer nor the Guarantor has been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency.

### The Bonds are not protected by the Financial Services Compensation Scheme

The Bonds are not protected by the Financial Services Compensation Scheme (the “**FSCS**”). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer and the Guarantor. If the Issuer, the Guarantor or the Group as a whole go out of business or become insolvent, you may lose all or part of your investment in the Bonds.

### **How to apply**

Applications to purchase Bonds cannot be made directly to the Issuer, the Guarantor or any other member of the Group. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to the application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.

After the closing time and date of the offer period, which is expected to be 12.00 (noon) (London time) on 26 May 2017 or such earlier time and date as may be agreed between the Issuer, the Guarantor, and Peel Hunt LLP (the “**Manager**”) and announced via a Regulatory Information Service, no Bonds will be offered for sale (a) by or on behalf of the Issuer or the Guarantor or (b) by any of the Authorised Offerors, except with the permission of the Issuer.

See Section 4 (*How to apply for the Bonds*) for more information.

### **Queries relating to this Prospectus and the Bonds**

If you have any questions regarding the content of this Prospectus and/or the Bonds or the actions you should take, you should seek advice from your financial adviser or other professional adviser before deciding to invest.

## **How do I use this Prospectus?**

You should read and understand fully the contents of this Prospectus, including any document incorporated by reference, before making any investment decision in respect of any Bonds. This Prospectus contains important information about the Issuer, the Guarantor and other members of the Group, the terms of the Bonds, as well as describing certain risks relating to the Issuer, the Guarantor and other members of the Group and their businesses and also other risks relating to an investment in the Bonds generally. An overview of the various sections comprising this Prospectus is set out below.

Section 1 (*Summary*) sets out in tabular format standard information which is arranged under standard headings and which the Issuer is required, for legal and regulatory reasons, to include in a prospectus summary for a prospectus of this type.

Section 2 (*Risk Factors*) describes the principal risks and uncertainties which may affect the ability of the Issuer and the Guarantor to fulfil their respective obligations under the Bonds and/or the Guarantee, as well as the risks relating to the Bonds and other risks including those relating to taxation and to the market generally.

Section 3 (*Information about the Bonds*) provides an overview of the Bonds in order to assist the reader.

Section 4 (*How to apply for the Bonds*) provides certain information about how to apply for the Bonds and how the Bonds are allocated.

Section 5 (*Taxation*) provides a brief outline of certain taxation implications and considerations which may be relevant to the Bonds.

Section 6 (*Description of the Issuer*) provides certain information about the Issuer and the nature of its business.

Section 7 (*Description of the Guarantor and the Group*) provides certain information about the Guarantor and the Group, the structure of the Group and the nature of the Group's business.

Section 8 (*Selected Financial Information*) sets out important historical financial information relating to the Issuer, the Guarantor and the Group.

Section 9 (*Subscription and Sale*) contains a description of the material provisions of the Subscription Agreement.

Section 10 (*Additional Information*) contains some additional information.

Section 11 (*Important Legal Information*) contains some important legal information regarding the basis on which this Prospectus may be used.

Section 12 (*Alternative Performance Measures*) contains information about performance measures used by the Group which are not prepared in accordance with IFRS.

Appendix 1 "*Defined Terms Index*" is set out on page 99.

Appendix 2 "*Terms and Conditions of the Bonds*" sets out the terms and conditions which apply to the Bonds.

Appendix 3 "*Summary of Provisions Relating to the Bonds while in global form in the Clearing Systems*" provides a summary of certain terms of the Global Bond which apply to the Bonds while they are held in global form by the clearing systems, some of which include minor and/or technical modifications to the Terms and Conditions of the Bonds as set out in this Prospectus.

Appendix 4 “*Documents Incorporated by Reference*” sets out the information that is deemed to be incorporated by reference into this Prospectus. This Prospectus should be read together with all information which is deemed to be incorporated into this Prospectus by reference.

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**1**

# **Summary**

## SUMMARY

***The following is a summary of information relating to the Issuer, the Guarantor and the Bonds.***

*Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities, issuer and guarantor. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities, issuer and guarantor, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.*

<b>SECTION A – INTRODUCTIONS AND WARNINGS</b>	
<b>A.1</b>	<p>This summary must be read as an introduction to this Prospectus. Any decision to invest in the Bonds should be based on consideration of this Prospectus as a whole, including the documents incorporated by reference, by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the claimant investor might, under the national legislation of the EU Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.</p>
<b>A.2</b>	<p>Each of the Issuer and the Guarantor consents to the use of this Prospectus in connection with any Public Offer of Bonds in the U.K. during the period commencing from, and including, 11 May 2017 until 12.00 (noon) (London time) on 26 May 2017 or such earlier time and date as may be agreed between the Issuer, the Guarantor and Peel Hunt LLP (the “<b>Manager</b>”) and announced via a Regulatory Information Service (the “<b>Offer Period</b>”) by:</p> <ul style="list-style-type: none"> <li>(i) the Manager; and</li> <li>(ii) any financial intermediary (an “<b>Authorised Offeror</b>”) which satisfies the Authorised Offeror Terms and other conditions as set out below.</li> </ul> <p>The “<b>Authorised Offeror Terms</b>” are that the relevant financial intermediary represents and agrees that it:</p> <ul style="list-style-type: none"> <li>(a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (“<b>MiFID</b>”) (in which regard, you should consult the register of authorised entities maintained by the Financial Conduct Authority (“<b>FCA</b>”) at <a href="http://www.fca.org.uk/firms/systems-reporting/register">www.fca.org.uk/firms/systems-reporting/register</a>). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors;</li> </ul>

	<p>(b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “<b>Rules</b>”), including the Rules published by the FCA (including its guidance for distributors in “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Bonds by any person and disclosure to any potential investor;</p> <p>(c) complies with the restrictions set out under “Subscription and Sale” in this Prospectus which would apply as if it were a Manager;</p> <p>(d) ensures that any fee (and any commissions, rebate or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and is fully and clearly disclosed to investors or potential investors;</p> <p>(e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules, including authorisation under the Financial Services and Markets Act 2000 (FSMA) and/or the Financial Services Act 2012;</p> <p>(f) complies with and takes appropriate steps in relation to applicable anti-money laundering, anti-bribery and “know your client” Rules, and does not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies;</p> <p>(g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Manager, the Issuer and the Guarantor or directly to the appropriate authorities with jurisdiction over the Issuer and/or the Guarantor and/or the Manager in order to enable the Issuer and/or the Guarantor and/or the Manager to comply with anti-money laundering, anti-bribery and “know your client” Rules applying to the Issuer and/or the Guarantor and/or the Manager;</p> <p>(h) does not, directly or indirectly, cause the Issuer or the Guarantor or the Manager to breach any Rule or subject the Issuer or the Guarantor or the Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;</p> <p>(i) agrees and undertakes to indemnify each of the Issuer, the Guarantor and the Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel’s fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantor or the Manager;</p>
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	<p>(j) will immediately give notice to the Issuer, the Guarantor and the Manager if at any time such Authorised Offeror becomes aware or suspects that they are or may be in violation of any Rules or the Authorised Offeror Terms, and will take all appropriate steps to remedy such violation and comply with such Rules and the Authorised Offeror Terms in all respects;</p> <p>(k) will not give any information other than that contained in this document (as may be amended or supplemented by the Issuer from time to time) or the information booklet prepared by the Issuer, the Guarantor and the Manager or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Bonds;</p> <p>(l) agrees that any communication in which it attaches or otherwise includes the Prospectus or any announcement published by the Issuer via a Regulatory Information Service at the end of the Offer Period will be consistent with the Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and the Guarantor and must expressly confirm that neither the Issuer nor the Guarantor accepts any responsibility for content of any such communication;</p> <p>(m) will not use the legal or publicity name of the Manager, the Issuer, the Guarantor (other than to describe such entity as a Manager, the Issuer or the Guarantor of the Bonds (as applicable)) or any other name, brand or logo registered by the Guarantor or any of its subsidiaries or any material over which any member of the Guarantor or its subsidiaries retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Bonds; and</p> <p>(n) agrees and accepts that:</p> <p style="padding-left: 20px;">(i) the contract between the Issuer, the Guarantor and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Prospectus with its consent in connection with the relevant Public Offer (the "<b>Authorised Offeror Agreement</b>"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Agreement, shall be governed by, and construed in accordance with, English law;</p> <p style="padding-left: 20px;">(ii) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Agreement) and accordingly submits to the exclusive jurisdiction of the English courts; and</p> <p style="padding-left: 20px;">(iii) a Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Agreement which are, or are expressed to be, for its benefit, including the agreements, representations, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.</p>
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	<p><b>Any financial intermediary who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Issuer and the Guarantor and the conditions attached thereto in the following form (with the information in square brackets completed with the relevant information):</b></p>
	<p><i>“We, [insert legal name of financial intermediary], refer to the 5.0 per cent. sterling denominated guaranteed Bonds due 2026 of Burford Capital PLC. In consideration of Burford Capital PLC and Burford Capital Limited offering to grant its consent to our use of the Prospectus dated 11 May 2017 relating to the Bonds in connection with the offer of the Bonds in the U.K. (the “Public Offer”) during the Offer Period and subject to the other conditions to such consent, each as specified in the Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Prospectus) and we are using the Prospectus in connection with the Public Offer accordingly”.</i></p> <p>A Public Offer may be made, subject to the conditions set out above, during the Offer Period by any of the Issuer, the Guarantor, the Manager or the other Authorised Offerors.</p> <p>Other than as set out above, none of the Issuer, the Guarantor or the Manager have authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Bonds. Any such offers are not made on behalf of the Issuer or by the Guarantor, the Manager or the other Authorised Offerors and none of the Issuer, the Guarantor, the Manager or the other Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p> <p>None of the Issuer, the Guarantor or the Manager have any responsibility for any of the actions of any Authorised Offeror (except for the Manager, where they are acting in the capacity of an Authorised Offeror), including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.</p> <p>It is expected that any new information with respect to a financial intermediary that is unknown as at the date of this Prospectus will be published in the investor relations section of the website of such financial intermediary.</p> <p><b>If you intend to acquire or do acquire any Bonds from an Authorised Offeror, you will do so, and offers and sales of the Bonds to you by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you including as to price, allocations and settlement arrangements at the time the offer and sale is made.</b></p> <p>Neither the Issuer nor the Guarantor will be a party to any such arrangements with you in connection with the offer or sale of the Bonds and, accordingly, this Prospectus does not contain such information. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to you at the relevant time. None of the Issuer, the Guarantor, the Manager or the other Authorised Offerors has any responsibility or liability for such information.</p>

<b>SECTION B – THE ISSUER AND THE GUARANTOR</b>		
<b>B.1</b> (B.19)	<b>Legal and commercial name.</b>	<p>The Issuer’s legal and commercial name is Burford Capital PLC (the “<b>Issuer</b>”).</p> <p>The Guarantor’s legal and commercial name is Burford Capital Limited (the “<b>Guarantor</b>”).</p>
<b>B.2</b> (B.19)	<b>The domicile and legal form of the issuer and the guarantor, the legislation under which they operate and their respective countries of incorporation.</b>	<p>The Issuer is a public limited company incorporated and registered in England and Wales under the Companies Act 2006 on 9 June 2014 with registered number 09077893.</p> <p>The Guarantor is a company limited by shares incorporated and registered in Guernsey under the Companies (Guernsey) Law 2008 on 11 September 2009 with registered number 50877.</p>
<b>B.4b</b> (B.19)	<b>A description of any known trends affecting the issuer and the guarantor and the industries in which they operate.</b>	<p>The litigation finance industry in which the Issuer and the Guarantor operate is experiencing a considerable level of growth around the world and is expected to produce profits uncorrelated with general economic or market conditions given the nature of the litigation process. The Issuer and the Guarantor believe this trend is supported by a number of factors such as (i) the consistently high number of legal services professionals involved in litigation and the amount generated in legal fees and recoveries from litigation matters in the U.S., the U.K. and in markets that the Group (all references to the “<b>Group</b>” being to the Guarantor and its subsidiaries taken as a whole) identifies for strategic growth around the world; (ii) disenchantment amongst litigation participants with the costs of litigation and an associated desire by litigation participants to seek financing alternatives to conventional law firm billings for the pursuit of litigation; (iii) varying but generally low tolerance from law firms mandated to participate in litigation for assuming the litigation risk of participants to litigation through alternative forms of litigation financing; and (iv) the realisation of litigation participants that ownership of significant litigation claims proceeding through the litigation process may represent meaningful contingent asset value, the value of which can be released through utilisation of a diverse number of litigation financing techniques without waiting for the final resolution of that litigation and associated payment.</p>
<b>B.5</b> (B.19)	<b>If the issuer or the guarantor is part of a group, a description of the group and their position within the group</b>	<p>The Issuer is a special purpose company established to raise money for use by the Group. The Issuer is a wholly-owned subsidiary of Burford Capital (UK) Limited, which itself is an indirectly wholly-owned subsidiary of the Guarantor.</p> <p>The Guarantor is the ultimate holding company of the Group. Its only assets are its shares in certain subsidiaries within the Group. The Guarantor is responsible for the overall business strategy and performance of the Group.</p>

		<p>The Group is a leading global finance, investment management and professional services firm focussed on law, with a large and experienced team. The Group provides a broad range of corporate finance and insurance solutions to lawyers and their clients engaged in significant litigation and arbitration around the world.</p> <p>The principal activities of the Group are the provision of capital to parties engaged in litigation and arbitration and to their law firms using a variety of investing and financing structures along with a significant investment management arm. The Group specialises in the evaluation of litigation risk and the creation of financial solutions for clients to monetise the value of their litigation-related assets which can range from recourse loans to non-recourse investments to the investment in or purchase of securities or assets.</p>																																							
<b>B.9</b> (B.19)	<b>Where a profit forecast or estimate is made, state the figure.</b>	Not applicable; there are no profit forecasts or estimates made in the Prospectus.																																							
<b>B.10</b> (B.19)	<b>A description of the nature of any qualifications in the audit report on the historical financial information.</b>	Not applicable; the audit reports on the Guarantor's audited consolidated financial statements for the years ended 31 December 2015 and 31 December 2016 and the audit reports on the Issuer's audited financial statements for the years ended 31 December 2015 and 31 December 2016 do not include any qualifications.																																							
<b>B.12</b> (B.19)	<b>Selected historical key financial information regarding the issuer and the guarantor, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year-end balance sheet information.</b>	<p>There has been no significant change in the financial or trading position of the Issuer or the Guarantor, and no material adverse change in the prospects of the Issuer or the Guarantor, since 31 December 2016.</p> <p>The following summary financial data as of, and for each of the years ended, 31 December 2015 and 31 December 2016, has been extracted, without any adjustment, from the Guarantor's consolidated financial statements in respect of those dates and periods.</p> <table border="1"> <thead> <tr> <th><b>Consolidated Profit and Loss Statement</b></th> <th><b>Audited year ended 31 December 2016 \$000</b></th> <th><b>Audited year ended 31 December 2015 \$000</b></th> </tr> </thead> <tbody> <tr> <td>Litigation investment income.....</td> <td>140,187</td> <td>87,877</td> </tr> <tr> <td>Insurance income .....</td> <td>12,923</td> <td>12,763</td> </tr> <tr> <td>New initiatives income .....</td> <td>8,849</td> <td>2,510</td> </tr> <tr> <td>Investment management income</td> <td>647</td> <td>0</td> </tr> <tr> <td>Other income .....</td> <td>797</td> <td>(143)</td> </tr> <tr> <td><b>Total income.....</b></td> <td><b>163,403</b></td> <td><b>103,007</b></td> </tr> <tr> <td>Operating expenses - litigation investment.....</td> <td>(26,017)</td> <td>(15,654)</td> </tr> <tr> <td>Operating expenses – insurance .....</td> <td>(1,696)</td> <td>(2,577)</td> </tr> <tr> <td>Operating expenses – new initiatives.....</td> <td>(4,895)</td> <td>(2,797)</td> </tr> <tr> <td>Operating expenses – investment management</td> <td>(443)</td> <td>-</td> </tr> <tr> <td>Operating expenses – corporate.....</td> <td>(5,975)</td> <td>(4,812)</td> </tr> <tr> <td>Amortisation of intangible asset arising on acquisition</td> <td>(271)</td> <td>-</td> </tr> </tbody> </table>	<b>Consolidated Profit and Loss Statement</b>	<b>Audited year ended 31 December 2016 \$000</b>	<b>Audited year ended 31 December 2015 \$000</b>	Litigation investment income.....	140,187	87,877	Insurance income .....	12,923	12,763	New initiatives income .....	8,849	2,510	Investment management income	647	0	Other income .....	797	(143)	<b>Total income.....</b>	<b>163,403</b>	<b>103,007</b>	Operating expenses - litigation investment.....	(26,017)	(15,654)	Operating expenses – insurance .....	(1,696)	(2,577)	Operating expenses – new initiatives.....	(4,895)	(2,797)	Operating expenses – investment management	(443)	-	Operating expenses – corporate.....	(5,975)	(4,812)	Amortisation of intangible asset arising on acquisition	(271)	-
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		<b>Operating profit</b> .....	<u>124,106</u>	<u>77,167</u>
		Finance costs .....	(14,108)	(9,290)
		<b>Profit before tax and acquisition costs</b> .....	<u>109,998</u>	<u>67,877</u>
		Non-recurring acquisition costs .....	(5,945)	-
		<b>Profit for the year before taxation</b>	<u>104,053</u>	<u>67,877</u>
		Taxation .....	4,817	(2,204)
		<b>Profit for the year after taxation</b> .....	<u>108,870</u>	<u>65,673</u>
		<b>Consolidated Balance Sheet</b>	<b>Audited year ended 31 December 2016</b>	<b>Audited year ended 31 December 2015</b>
			<b>\$'000</b>	<b>\$'000</b>
		<b>Assets</b>		
		<b>Non-current assets</b> .....	776,819	371,784
		<b>Current assets</b> .....	191,412	222,321
		<b>Total assets</b> .....	<u>968,231</u>	<u>594,105</u>
		<b>Liabilities</b>		
		<b>Current liabilities</b> .....	94,987	27,700
		<b>Non-current liabilities</b> .....	<u>277,085</u>	<u>132,378</u>
		<b>Total liabilities</b> .....	<u>372,072</u>	<u>160,078</u>
		<b>Total net assets</b> .....	<u>596,159</u>	<u>434,027</u>
		<b>Total equity shareholders' funds</b> .....	<u>596,159</u>	<u>434,027</u>
		<b>Consolidated Cash Flow Statement</b>	<b>Audited year ended 31 December 2016</b>	<b>Audited year ended 31 December 2015</b>
			<b>\$'000</b>	<b>\$'000</b>
		<b>Net cash (outflow) from operating activities</b> .....	(6,668)	(20,139)
		<b>Net cash inflow / (outflow) from financing activities</b> .....	157,895	(25,651)
		<b>Net cash (outflow) from investing activities</b> .....	<u>(36,988)</u>	<u>(1,910)</u>
		<b>Net increase / (decrease) in cash and cash equivalents</b> .....	<u>114,239</u>	<u>(47,700)</u>
		<b>Reconciliation of net cash flow to movements in cash and cash equivalents</b> .....		
		Cash and cash equivalents at beginning of year .....	45,417	93,640
		Increase / (decrease) in cash and cash equivalents .....	114,239	(47,700)
		Effect of exchange rate changes on cash and cash equivalents.....	<u>(1,285)</u>	<u>(523)</u>

		<p><b>Cash and cash equivalents at end of year ....</b></p> <p style="text-align: right;">158,371      45,417</p> <hr/> <p>The following summary financial data for the years ended 31 December 2015 and 31 December 2016, has been extracted, without any adjustment, from the Issuer's financial statements in respect of those dates and periods. Under the financial reporting standards, the Issuer is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the Issuer's cash flows in its own published consolidated financial statements.</p> <p><b>Profit and Loss Statement</b></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><b>Audited year ended 31 December 2016 £000</b></th> <th style="text-align: right; width: 20%;"><b>Audited year ended 31 December 2015 £000</b></th> </tr> </thead> <tbody> <tr> <td>Income .....</td> <td style="text-align: right;">2,813</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Operating expenses .....</td> <td style="text-align: right;">(1,633)</td> <td style="text-align: right;">(1,257)</td> </tr> <tr> <td>Interest receivable and similar income</td> <td style="text-align: right;">1,313</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Interest expense and similar charges.....</td> <td style="text-align: right;"><u>(10,140)</u></td> <td style="text-align: right;"><u>(5,844)</u></td> </tr> <tr> <td><b>Loss on ordinary activities before taxation..</b></td> <td style="text-align: right;"><b>(7,647)</b></td> <td style="text-align: right;"><b>(7,101)</b></td> </tr> <tr> <td>Tax credit on profit on ordinary activities.....</td> <td style="text-align: right;"><u>1,133</u></td> <td style="text-align: right;">1,434</td> </tr> <tr> <td><b>Loss for the financial period.....</b></td> <td style="text-align: right;"><b><u>(6,514)</u></b></td> <td style="text-align: right;"><b><u>(5,667)</u></b></td> </tr> </tbody> </table>		<b>Audited year ended 31 December 2016 £000</b>	<b>Audited year ended 31 December 2015 £000</b>	Income .....	2,813	-	Operating expenses .....	(1,633)	(1,257)	Interest receivable and similar income	1,313	-	Interest expense and similar charges.....	<u>(10,140)</u>	<u>(5,844)</u>	<b>Loss on ordinary activities before taxation..</b>	<b>(7,647)</b>	<b>(7,101)</b>	Tax credit on profit on ordinary activities.....	<u>1,133</u>	1,434	<b>Loss for the financial period.....</b>	<b><u>(6,514)</u></b>	<b><u>(5,667)</u></b>																								
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<p><b>B.13</b> (B.19)</p>	<p><b>A description of any recent events particular to the issuer or the guarantor which are to a material extent relevant to the evaluation of the issuer's and/or the guarantor's solvency.</b></p>	<p>Not applicable; there have been no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to the evaluation of either the Issuer's or the Guarantor's solvency.</p>
<p><b>B.14</b> (B.19)</p>	<p><b>If the issuer or the guarantor is part of a group, a description of the group and the issuer's and guarantor's position within the group. If the issuer or the guarantor is dependent upon other entities within the group, this must be clearly stated.</b></p>	<p>Please see Element B.5 above.</p> <p>The Issuer is a special purpose company established to raise money for use by the Group. The Issuer is an indirect, wholly-owned subsidiary of the Guarantor. The Issuer's only material assets are proceeds from issuances of debt which are made available by the Issuer to other subsidiaries within the Group to be used for general corporate purposes. Therefore, the Issuer is dependent on other subsidiaries within the Group to satisfy its obligations in full and on a timely basis.</p> <p>The Guarantor is the ultimate holding company of the Group. Its only assets are its shares in subsidiaries within the Group that it directly owns. The Guarantor is responsible for the overall business strategy and performance of the Group, conducts all of its operations through its subsidiaries and is dependent on the financial performance of its subsidiaries and payments of dividends and intercompany payments (both advances and repayments) from these subsidiaries to meet its debt obligations including its ability to fulfil its obligations under the Guarantee.</p>
<p><b>B15</b> (B.19)</p>	<p><b>A description of the issuer's and the guarantor's principal activities.</b></p>	<p>The Issuer is a special purpose company established for the purpose of issuing publicly traded debt and making such proceeds thereof available to other subsidiaries within the Group.</p> <p>The Guarantor is the ultimate holding company of the Group. Its only assets are its shares in various subsidiaries within the Group. The Guarantor is responsible for the overall business strategy and performance of the Group.</p> <p>The Group is a leading global finance and professional services firm focussed on law, with a large and experienced team. The Group provides a broad range of corporate finance and insurance solutions to lawyers and their clients engaged in significant litigation and arbitration around the world.</p> <p>In December 2016, the Group completed its acquisition of GKC Holdings, LLC, the parent of Chicago-based Gerchen Keller Capital, LLC, ("Gerchen Keller"), a major and rapidly growing law-focused investment manager registered as an investment adviser with the U.S. Securities and Exchange Commission, resulting in the Group now also being engaged in investment management activities.</p>

<p><b>B.16</b> (B.19)</p>	<p><b>To the extent known to the issuer and the guarantor, state whether the issuer or the guarantor is directly or indirectly owned or controlled and by whom and describe the nature of such control.</b></p>	<p>The entire share capital of the Issuer is owned by Burford Capital (UK) Limited, which itself is an indirectly wholly-owned subsidiary of the Guarantor.</p> <p>The Guarantor is not directly or indirectly owned or controlled by another entity.</p>
<p><b>B.17</b> (B.19)</p>	<p><b>Credit ratings assigned to either the issuer or the guarantor or its debt securities at the request or with the co-operation of the issuer in the rating.</b></p>	<p>Neither the Issuer nor the Guarantor has been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency.</p>
<p><b>B.18</b></p>	<p><b>Guarantee.</b></p>	<p>Pursuant to the Trust Deed (the “<b>Trust Deed</b>”) to be dated 1 June 2017 (the “<b>Issue Date</b>”) between the Issuer, the Guarantor and U.S. Bank Trustees Limited (the “<b>Trustee</b>”), the Guarantor will unconditionally and irrevocably guarantee the payment of principal and interest in respect of the Bonds and all other moneys payable by the Issuer under or pursuant to the Trust Deed (the “<b>Guarantee</b>”).</p> <p>If any subsidiary of the Guarantor (other than certain excluded subsidiaries) incurs financial indebtedness (such as loans, bonds or other forms of borrowing) exceeding £2,000,000 (in aggregate), then the Guarantor shall procure that such subsidiary also unconditionally and irrevocably guarantees the payment of principal and interest in respect of the Bonds and all other moneys payable by the Issuer under or pursuant to the Trust Deed.</p>
<p><b>SECTION C – BONDS</b></p>		
<p><b>C.1</b></p>	<p><b>A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number.</b></p>	<p>The 5.0 per cent. guaranteed bonds due 2026 (the “<b>Bonds</b>”) will be issued in registered form. The principal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100.</p> <p>The International Securities Identification Number (“<b>ISIN</b>”) for the Bonds is XS1614096425 and the Common Code is 161409642.</p>
<p><b>C.2</b></p>	<p><b>Currency of the securities issue.</b></p>	<p>The currency of the Bonds will be pounds sterling.</p>
<p><b>C.5</b></p>	<p><b>A description of any restrictions on the free transferability</b></p>	<p>Not applicable; there are no restrictions on the free transferability of the Bonds.</p>

	<b>of the securities.</b>	
<b>C.8</b>	<b>A description of the rights attached to the securities including:</b> <ul style="list-style-type: none"> <li>• <b>ranking</b></li> <li>• <b>limitations to those rights</b></li> </ul>	<p><b><i>Status of the Bonds and the Guarantee:</i></b></p> <p>The Bonds constitute unsecured debt obligations of the Issuer. The Bonds will rank <i>pari passu</i> (i.e. equally in right of payment), without any preference between themselves, with all other outstanding unsecured and unsubordinated debt obligations of the Issuer.</p> <p>The Guarantee constitutes an unsecured obligation of the Guarantor. The payment obligations of the Guarantor under the Guarantee will rank <i>pari passu</i> (i.e. equally in right of payment) with all other outstanding unsecured and unsubordinated debt obligations of the Guarantor.</p>
		<p><b><i>Negative Pledge of the Issuer</i></b></p> <p>The Bonds contain a negative pledge provision with respect to the Issuer. In general terms, a negative pledge provision prohibits the entity from granting security over certain of its indebtedness which diminishes the priority of the Bondholders' claims against any of the entity's other assets. Therefore, under the negative pledge provision set out in the Terms and Conditions of the Bonds, the Issuer may not create or at any time have outstanding, any security interest over any of its present or future business, undertakings, assets or revenues to secure certain financial indebtedness without securing the Bonds equally, subject to certain exemptions.</p>
		<p><b><i>Negative Pledge of the Guarantor</i></b></p> <p>The Bonds contain a negative pledge provision with respect to a Guarantor and its subsidiaries (other than certain excluded subsidiaries). Under the negative pledge provision set out in the Terms and Conditions of the Bonds, the Guarantor may not create or at any time have outstanding, and shall procure so far as it can that its subsidiaries may not create or at any time have outstanding, any security interest over any of their present or future business, undertakings, assets or revenues to secure certain financial indebtedness without securing the Bonds equally, subject to certain exemptions.</p>
		<p><b><i>Financial covenant</i></b></p> <p>The Guarantor has agreed that, so long as any Bond remains outstanding, it shall ensure that the financial indebtedness of the Group (after deducting the sum of any cash, cash equivalents and cash management investments) does not exceed 50 per cent. of the sum of the Group's total assets (after deducting any goodwill and intangible assets) (in each case excluding indebtedness or assets in certain of the Guarantor's subsidiaries).</p>
		<p><b><i>Events of default</i></b></p> <p>An event of default is a breach by the Issuer or the Guarantor of certain provisions in the Terms and Conditions of the Bonds, or the occurrence of certain events with respect to a material subsidiary. A material subsidiary is any subsidiary of the Guarantor (other than certain of the</p>

		Guarantor’s subsidiaries) which represents not less than 5 per cent. of the gross assets of the Group (after deducting the gross assets of certain of the Guarantor’s subsidiaries).
		Events of default under the Bonds include non-payment of any principal and interest due in respect of the Bonds and failure of the Issuer or the Guarantor to perform or observe any of its other obligations under the Terms and Conditions of the Bonds and the Trust Deed (in each case, upon the expiry of the relevant grace period), insolvency, unlawfulness and acceleration as a result of non-payment in respect of other indebtedness in an aggregate amount in excess of £2,000,000 (or its equivalent). In addition, Trustee certification that certain events would be materially prejudicial to the interests of the holders of the Bonds (the “ <b>Bondholders</b> ”) is required before certain events will be deemed to constitute Events of Default.
		<p><b><i>Optional early repayment by the Issuer</i></b></p> <p>The Bonds may be redeemed (i.e. repaid) early, at any time, if the Issuer chooses to do so, at 100 per cent. of their principal amount or, if higher, an amount calculated by reference to the then current yield of the U.K. 1.5 per cent. Treasury Gilt 2026 plus a margin of 1.00 per cent., together with any accrued interest.</p>
		<p><b>Optional early repayment by the Issuer for tax reasons</b></p> <p>In the event of any change in tax law after the Bonds have been issued that would result in the Issuer or the Guarantor being required to pay any additional amount in respect of a withholding or deduction on account of tax, the Bonds may be repaid if the Issuer chooses to do so. The redemption price in these circumstances is at the principal amount of the Bonds plus accrued interest.</p>
		<p><b><i>Meetings of Bondholders</i></b></p> <p>The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting the interests of the Bondholders. These provisions permit certain majorities to bind all Bondholders including Bondholders who did not vote on the relevant resolution and Bondholders who did not vote in the same way as the majority did on that resolution.</p>
		<p><b><i>Modification, waiver and substitution</i></b></p> <p>The Terms and Conditions of the Bonds provide that the Trustee may, without the consent of the Bondholders, agree to:</p>
		(a) modify any of the provisions of the Trust Deed that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error (which is an indisputable error) or an error which, in the opinion of the Trustee, is proven;
		(b) waive, modify or authorise any proposed breach or breach by the Issuer or the Guarantor of a provision of the Trust Deed if, in the opinion of the Trustee, such modification is not

		prejudicial to the interests of the Bondholders; or
		(c) the substitution of the Guarantor or any of its subsidiaries as principal debtor under the Bonds in place of the Issuer, in certain circumstances and subject to the satisfaction of certain conditions.
<b>C.9</b>	<p><b>A description of the rights attached to the securities including:</b></p> <ul style="list-style-type: none"> <li>• <b>the nominal interest rate</b></li> <li>• <b>the date from which interest becomes payable and the due dates for interest</b></li> <li>• <b>where the rate is not fixed, description of the underlying on which it is based</b></li> <li>• <b>maturity date and arrangements for the amortisation of the loan, including the repayment procedures</b></li> <li>• <b>an indication of yield</b></li> <li>• <b>name of representative of debt security holders</b></li> </ul>	<p><b>Interest rate</b></p> <p>Subject to the following paragraph, the Bonds will accrue interest from and including the Issue Date at the fixed rate of 5.0 per cent. per annum. The interest on the Bonds is payable twice a year at the end of the interest period to which the payment relates. It is payable in equal instalments of £2.50 per £100 in principal amount of the Bonds on 1 June and 1 December in each year commencing on 1 December 2017. The final payment of interest will be made on the Maturity Date.</p> <p>In the event that any member of the Group (other than certain excluded subsidiaries) solicits a rating by any of Moody’s Investors Service Limited (“<b>Moody’s</b>”), Standard &amp; Poor’s Credit Market Services Europe Limited (“<b>S&amp;P</b>”) or Fitch Ratings Ltd (“<b>Fitch</b>”) (or, in each case, any of their affiliate companies) and such rating is below “Ba3” (in the case of Moody’s) or “BB-” (in the case of S&amp;P or Fitch), then the rate of interest payable on the Bonds will increase by 1 per cent. per annum to 6.0 per cent. per annum from the next interest payment date following the rating being obtained. Once the rate of interest payable on the Bonds has increased, it will remain at that increased rate of interest for the rest of the life of the Bonds.</p> <p><b>Maturity Date</b></p> <p>Unless previously redeemed or purchased and cancelled in accordance with the Terms and Conditions of the Bonds, the Bonds will mature on 1 December 2026 (the “<b>Maturity Date</b>”).</p> <p><b>Indication of yield</b></p> <p>On the basis of the issue price of the Bonds being 100 per cent. of their principal amount and the rate of interest being 5.0 per cent. per annum, the initial yield of the Bonds on the Issue Date is 5.0 per cent. on an annual basis. This initial yield is not an indication of future yield.</p> <p><b>Trustee</b></p> <p>The Trustee is U.S. Bank Trustees Limited.</p>
<b>C.10</b>	<b>If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors</b>	Not applicable; the interest rate on the Bonds is fixed and there is no derivative component in the interest payments made in respect of the Bonds. This means that the interest payments are not linked to specific market references, such as inflation, an index or otherwise.

	<b>understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.</b>	
<b>C.11</b>	<b>An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.</b>	It is expected that the admission of the Bonds to the Official List will be granted on or about 2 June 2017, after the publication of the Sizing Announcement subject only to the issue of the Global Certificate. Application will be made to the UK Listing Authority for the Bonds to be admitted to the Official List and to the London Stock Exchange for such Bonds to be admitted to trading on the Regulated Market and through its electronic Order book for Retail Bonds. Admission of the Bonds to trading is also expected to occur on or about 2 June 2017.
<b>SECTION D – RISKS</b>		
<b>D.2</b>	<b>Key information on the key risks that are specific to the issuer.</b>	Summary of the key risks that may affect the Issuer’s ability to fulfil its obligations under the Bonds <ul style="list-style-type: none"> <li>• The Issuer is a special purpose company established to issue the Bonds (and any further Bonds issued in accordance with the Conditions of the Bonds) and is dependent on other subsidiaries within the Group to make payments on the Bonds.</li> </ul>
		Summary of the key risks that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee <ul style="list-style-type: none"> <li>• The Guarantor is the ultimate holding company of the Group whose only assets are its shares in various subsidiaries within the Group and its income is dependent on other subsidiaries within the Group to fulfil its obligations under the Guarantee.</li> </ul>
		Summary of key risks that may affect the Group <ul style="list-style-type: none"> <li>• The Group is dependent on whether or not the investments and financings which it undertakes, and insurance contracts which it has undertaken, will be successful or will pay the returns targeted or pay those returns in the anticipated time. Failure to do so could have an adverse effect on the Group’s business, results of operations, financial condition and/or prospects.</li> </ul>

		<ul style="list-style-type: none"> <li>• Failure by the Group to source suitable investments in sufficient number in a timely manner or at all, or to satisfactorily conclude, manage or realise those investments, could have an adverse effect on the Group’s business, results of operations, financial condition and/or prospects.</li> <li>• The laws, professional regulations or ethical rules in the jurisdictions where the Group conducts its business (or changes to such laws, professional regulations or ethical rules) could further reduce or limit opportunities for the Group to make investments or could result in the reduction or extinction of the value of investments already concluded by the Group in such jurisdictions.</li> <li>• Details of investments that the Group pursues or intends to pursue, cannot and will not be disclosed on a named or detailed basis to Bondholders because of confidentiality and other restrictions. To this extent, Bondholders will not have an opportunity to evaluate such investments and will be dependent upon the Group’s judgement and ability to invest in and to manage such investments.</li> <li>• The Group is exposed to credit risk associated with various investment structures and the parties participating in the litigation that it elects to invest in. Failure by the Group to obtain recovery could have an adverse effect on the Group’s business, results of operations, financial condition and/or prospects.</li> <li>• The Group may contract for commitments in matters in excess of its total funds on hand. If a mismatch occurs between commitments and available cash at the time of the commitments being due, such a mismatch could have an adverse effect on the Group’s business, results of operations, financial condition and/or prospects and result in the potential loss of business and financial relationships.</li> <li>• The Group is particularly reliant on lawyers to litigate claims and defences with due skill and care. If they are not able to do this, or do not do this for other reasons, it is likely to have a material adverse effect on the value of the Group’s investment which could have an adverse effect on the Group’s business, results of operations, financial condition and/or prospects.</li> </ul>
		<ul style="list-style-type: none"> <li>• The Group is subject to regulatory requirements in its current and any future activities. The Group will be under a duty to comply with any new rules, regulations and laws applicable to it. Compliance with these rules, regulations and laws could create additional burdens for the Group and could have a material adverse effect on the investment strategies of, and/or the value of, direct or indirect business or financial interests of the Group.</li> </ul>

		<ul style="list-style-type: none"> <li>• The Group is generally not the client of the law firm representing the owner of the claim that is the subject matter of an investment or financing by the Group. Accordingly that law firm may be required to act in accordance with its client's wishes rather than those of the Group or may be subject to an overriding duty to the courts, which could result in the law firm acting in a manner that is not in the Group's best interests.</li> <li>• The Group faces operational risks originating from external and internal fraud, failures or inadequacies in systems or processes, failure to comply with regulatory requirements and conduct of business rules, errors by employees, natural disasters or the failure of external systems, for example, those of the Group's contractual counterparties. It is not possible to implement procedures which fully control each of these risks. External factors such as terrorist acts, other acts of war or hostility and geopolitical, pandemic could have a material adverse effect on U.S., U.K. and international economic conditions and more specifically on the Group's results of operations, financial condition or prospects.</li> <li>• The Group's performance is dependent upon the judgement and ability of its senior management to implement its strategy, use and commit its capital and finance and manage and realise returns on its investments and is dependent on employing sufficient skilled personnel. The inability of the Group to employ, train, motivate and retain its senior management and skilled personnel could have a material adverse impact on the business of the Group.</li> <li>• The Group's investments are structured on a case-by-case basis in accordance with legal, ethical and taxation principles and limitations which if re-characterised could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.</li> <li>• Some or all revenues earned by the Group may be subject to a significant income or corporate income tax liability (including withholdings) which cannot be reclaimed by the Group and which will reduce the net returns on the Group's investments and, as a result, diminish the potential value of the Group's assets.</li> <li>• Any change in the Group's tax status, or in taxation legislation in Guernsey or any other jurisdictions in which the Group carries on, or is deemed to carry on, a trade or business or from which its income is sourced, could affect the value of the Group's investments and its ability to achieve its investment objective which may adversely affect the Group's business.</li> </ul>
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		<ul style="list-style-type: none"> <li>• The Group relies on its information technology (“IT”) systems to conduct its business, including key account management, producing documentation, producing financial and management reports on a timely basis and maintaining accurate records. The Group’s processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events.</li> <li>• In December 2016, the Group completed the acquisition of Gerchen Keller. Gerchen Keller is a law-focused investment manager registered as an investment adviser with the U.S. Securities and Exchange Commission. As Gerchen Keller operates almost exclusively through its private funds, and does not typically invest directly on its own balance sheet, its revenues are predominantly from the receipt of management and performance fees from its funds, which is in contrast to the rest of the Group, which profits directly from investments it makes. This is a new means of conducting business for the Group. Furthermore, the acquisition could divert significant management time and resources from the day to day running of the business. No assurances can be given that Gerchen Keller will be managed profitably or integrated successfully into the Group or that the Group will successfully maintain or expand that part of the business focussed on management and performance fees from private funds, without delays, costs or other problems being experienced. Finally, despite conducting thorough due diligence into Gerchen Keller, it is possible that unanticipated liabilities could arise in respect of the acquisition.</li> </ul>
<b>D.3</b>	<b>Key information on the key risks that are specific to the securities.</b>	<ul style="list-style-type: none"> <li>• The Bonds are unsecured obligations of the Issuer.</li> <li>• The Bonds are not protected by the Financial Services Compensation Scheme. Therefore (unlike in the case of a bank deposit), if the Issuer or the Guarantor were to become insolvent or go out of business, the Bondholders may lose all or part of their investment in the Bonds and no governmental body would be required to compensate them for such loss.</li> <li>• The Bonds may be repaid early at the Issuer’s option in certain circumstances.</li> </ul>
		<ul style="list-style-type: none"> <li>• Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the terms and conditions of the Bonds.</li> </ul>
		<ul style="list-style-type: none"> <li>• A market for the Bonds may not develop, or may not be very liquid (i.e. the Bonds may not be easily tradable) and such illiquidity may have a severely adverse effect on the market value of the Bonds. The realisation from a sale of the Bonds at any time prior to their maturity may be below the investment</li> </ul>

		price.
		<ul style="list-style-type: none"> <li>The Bonds bear interest at a fixed rate and the Issuer will pay principal and interest on the Bonds in pounds sterling, which potentially exposes you to interest rate risk and inflation risk.</li> </ul>
<b>SECTION E - OFFER</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.</b>	<p>The offer of the Bonds is being made to enable the Group to further pursue its general corporate purposes and to include debt in its capital structure for economic efficiency.</p> <p>The net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to one or more members of the Group to enable the Group to further pursue its general corporate purposes.</p>
<b>E.3</b>	<b>A description of the terms and conditions of the offer.</b>	The Offer is expected to open on 11 May 2017 and close at 12.00 (noon) (London time) on 26 May 2017 or such earlier time and date as may be agreed between the Issuer and the Manager and announced via a Regulatory Information Service.
		<p>You will be notified by the relevant Authorised Offeror of your allocation of Bonds and instructions for delivery of and payment for the Bonds. You may not be allocated all (or any) of the Bonds for which you apply.</p> <p>The Bonds will be issued at the issue price (which is 100 per cent. of the principal amount of the Bonds) and the aggregate principal amount of the Bonds to be issued will be specified in the Sizing Announcement published by the Issuer on a Regulatory Information Service.</p> <p>The issue of Bonds is conditional upon a subscription agreement being signed by the Issuer, the Guarantor and the Manager on or about 30 May 2017 (the “<b>Subscription Agreement</b>”). The Subscription Agreement will include certain conditions, customary for transactions of this type (including the issue of the Bonds and the delivery of legal opinions and comfort letters from the independent auditors of the Guarantor satisfactory to the Manager).</p> <p>The minimum subscription amount per investor is for a principal amount of £2,000 of the Bonds.</p>
<b>E.4</b>	<b>A description of any interest that is material to the issue/offer including conflicting interests.</b>	So far as the Issuer and the Guarantor is aware, no person involved in the offer of the Bonds has an interest material to the offer. There are no conflicts of interest which are material to the offer of the Bonds.
<b>E.7</b>	<b>Estimated expenses charged to the investor by the issuer or the offeror.</b>	<p>None of the Issuer, the Guarantor or the Manager will charge you any expenses relating to an application for or purchase of any Bonds.</p> <p>However, expenses may be charged to you by an Authorised Offeror. These expenses are beyond the control of the Issuer, are not set by the Issuer and will be disclosed to any potential investor by the relevant Authorised Offeror at the relevant time. The Issuer estimates that, in</p>

		<p>connection with the sale of Bonds to you, the expenses charged to you by one of the Authorised Offerors known to the Issuer as at the date of the Prospectus may be between 0 per cent. and 7 per cent. of the aggregate nominal amount of the Bonds sold to you. This is an estimated range of expenses. The actual expenses to be charged will depend on your individual circumstances and your relationship with your stock broker or other financial adviser; they will vary from investor to investor.</p>
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## **Risk Factors**

## RISK FACTORS

**The following is a description of the principal risks and uncertainties which may affect the Issuer's or the Guarantor's, as the case may be, ability to fulfil its obligations under the Bonds.**

Before applying for any of the 5.0 per cent. guaranteed bonds due 2026 (the “**Bonds**”), you should consider whether the Bonds are a suitable investment for you. There are risks associated with an investment in the Bonds, many of which are outside the control of Burford Capital PLC (the “**Issuer**”) and Burford Capital Limited (the “**Guarantor**” and, together with its subsidiaries, the “**Group**”) which irrevocably and unconditionally guarantees the Issuer's payment obligations under the Bonds (the “**Guarantee**”). These risks include those in this Section.

You should carefully consider the risks described below and all other information contained in this Prospectus and reach your own view before making an investment decision. Each of the Issuer and the Guarantor believe that the factors described below represent the principal risks and uncertainties which may affect its ability to fulfil its obligations under the Bonds, but the Issuer or the Guarantor may face other risks that may not be considered significant risks by the Issuer or the Guarantor based upon information available to them at the date of this Prospectus or that they may not be able to anticipate. Factors which the Issuer or the Guarantor believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below. If any of the following risks, as well as other risks and uncertainties that are not yet identified or that the Issuer or the Guarantor thinks are immaterial at the date of this Prospectus, actually occur, then these could have a material adverse effect on the Issuer's or Guarantor's ability to fulfil its obligations to pay interest, principal or other amounts in connection with the Bonds.

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

### **Risks which may affect the Issuer's ability to fulfil its obligations under the Bonds**

***The Issuer acts as a special purpose company to raise capital by the issue of publicly traded debt, including the Bonds***

The sole function of the Issuer is to act as a special purpose company to raise money by the issue of publicly traded debt, including the Bonds. The net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to other members of the Group to enable the Group to further pursue its general corporate purposes. Interest payments in respect of the Bonds will effectively be paid from cash flows generated from the business of the Group, which, as referred to in “*What is the relationship between the Issuer, the Guarantor and the Group*” below, is generally conducted through the Guarantor's direct and indirect subsidiaries rather than by the Guarantor itself and accordingly the ability of the Issuer to pay interest on and repay the Bonds will be subject to all the risks to which the Group is subject. See “*Risks relating to the Group*” below for a further description of certain of these risks.

### **Risks relating to the Guarantee**

If both the Issuer and the Guarantor default on their obligations to make payments on or to repay the Bonds or to make payments under the Guarantee, as applicable, and there are insufficient funds to

repay all amounts outstanding under the Bonds, as well as having an unsecured claim against the Issuer, Bondholders will have unsecured claims for any outstanding amount against the Guarantor under the Guarantee. Those unsecured claims will rank behind the claims of any secured creditors of the Issuer and the Guarantor. Bondholders will not have any direct claim for such outstanding amount against any subsidiary of the Guarantor.

Generally, creditors of a subsidiary will be entitled to the assets of that subsidiary before any of those assets can be distributed to its direct or indirect shareholders (in this case including the Guarantor) upon its liquidation or winding up. These creditors may include secured creditors who have the benefit of security over the assets of the relevant subsidiary in priority to unsecured creditors. The Guarantor's claims to the assets of the subsidiaries that generate its income are subordinated to the creditors of those subsidiaries. 'Subordinated' in this context means that, in the event of a winding up or insolvency of any of the Guarantor's subsidiaries, any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Guarantor.

In the event that members of the Group are unable or unwilling to remit funds to the Guarantor, the Guarantor's ability to fulfil its commitments to Bondholders to make payments under the Guarantee may be adversely affected. Whilst the Guarantor believes that members of the Group would consider it in their commercial interests to meet a claim under the Guarantee, there is no legal commitment by them to do so.

#### **Risks which may affect the Guarantor's ability to fulfil its obligations under the Guarantee**

##### ***The Guarantor is a holding company of the Group***

If the Issuer or the Guarantor defaults on its obligations to make payments on or to repay the Bonds or to make payments under the Guarantee, Bondholders will have unsecured claims for any outstanding amount against the Guarantor under the Guarantee. Bondholders will not have any direct claim for such outstanding amount against any subsidiary of the Guarantor. See "*The Issuer acts as a special purpose company to raise capital by the issue of publicly traded debt, including the Bonds*" above for a description of the risk in relation to the Issuer.

The Guarantor's principal business is that of holding shares in its subsidiaries. As a holding company, the Guarantor conducts all of its operations through its subsidiaries and is dependent on the financial performance of its subsidiaries and payments of dividends and intercompany payments (both advances and repayments) from these subsidiaries to meet its debt obligations including its ability to fulfil its obligations under the Guarantee.

Generally, creditors of a subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary and preferred shareholders (if any) of the subsidiary, will be entitled to the assets of that subsidiary before any of those assets can be distributed to its direct or indirect shareholders (including the Guarantor) upon its liquidation or winding up. The Guarantor's subsidiaries may have other liabilities, including secured liabilities and contingent liabilities, which could be substantial. Notes 12 to 14 of the Guarantor's consolidated financial statements for the year ended 31 December 2016 provide an indication of the Group's liabilities as at 31 December 2016. Since Bondholders are not creditors to these subsidiaries, their claims to the assets of the subsidiaries that generate the Guarantor's income (and consequently, their right to receive payments under the Terms and Conditions of the Bonds) are structurally subordinated to the creditors of these subsidiaries. In the event that members of the Group are unable to remit funds to the Guarantor, the Guarantor's ability to fulfil its commitments to Bondholders to make payments under the Guarantee may be adversely affected.

## **Risks relating to the Group**

### ***Investment selection and performance***

The Group is dependent on whether or not the investments and financings which it undertakes, and insurance contracts which it has undertaken (collectively, “**investments**”), will be successful or will pay returns. Assessing the value, strengths and weaknesses of litigation is complex and the outcome is not certain. Should the investments, financings and insurance contracts in which the Group is or becomes involved prove to be unsuccessful or produce returns below those expected, the ability of the Group to meet its commitments under the Bonds could be materially adversely affected.

### ***Inability to locate, and delay in entering into, investments***

The success of the Group is dependent upon the conclusion, management and realisation of suitable investments. There is no guarantee that the Group will be successful in sourcing suitable investments in a timely manner or at all, or in sourcing a sufficient number of suitable investments that meet the diversification and underwriting and other requirements of the Group in jurisdictions where such investments are desirable.

### ***The Group may experience fluctuations in its operating results***

Investors contemplating an investment in the Bonds should recognise that their market value can fluctuate and may not always reflect the underlying operating results of the Group. Such operating results may themselves vary from time to time due to a variety of factors including, but not limited to, the accounting valuations of the investments made by the Group, the recognition of recoveries and the collection of awards, settlement monies or other funds from investments. The actual results of the Group for a particular period should therefore not be taken as indicative of its performance in a future period.

### ***Regulation***

Law and professional regulation (including ethics regulation) in the area of acquiring or otherwise taking a financial position or a commercial interest with respect to claims and defences can be complex and uncertain in the U.S. and elsewhere. In various jurisdictions there are prohibitions or restrictions in connection with purchasing claims from claimants (known as maintenance, and a form of maintenance, called champerty), assignment of certain kinds of claims and/or participating in a lawyer’s contingent fee interests (including ethical rules against sharing fees with lawyers and non-lawyers). Such prohibitions and restrictions, to the extent they exist, are governed by the rules and regulations of each state and jurisdiction in the U.S. and elsewhere and vary in degrees of strength and enforcement in different states and federal jurisdictions. This is a complex issue that involves both substantive law and also choice of law principles. The Group has retained counsel experienced in ethics and other professional matters, and assesses the foregoing legal and ethical and other issues as appropriate and on an overall ongoing basis. However, in many jurisdictions, the relevant issues may not have been considered by the courts nor addressed by statute and thus obtaining clear opinions or legal advice may be difficult to achieve. Thus the Group’s investments could be open to challenge or subsequently reduced in value or extinguished.

Changes in laws, regulation or ethical rules could further reduce or limit opportunities for the Group to make investments or could result in the reduction or extinction of the value of investment already concluded by the Group in such jurisdictions, and such changes are regularly proposed by groups opposed to litigation proliferation and others.

### ***Competition***

Competition for attractive investment opportunities may lead to lower potential returns than expected from individual investments, which may affect the Group's ability to invest on terms which it considers attractive. The Group may face competition from other entities, some of which may have significantly greater financial and/or technical resources than the Group, whose business may be at a more mature stage of development than that of the Group, which may develop or market alternative financial arrangements that are more effective or less susceptible to challenge than those developed or marketed by the Group, or that might render the Group's investment strategy obsolete or uncompetitive.

### ***Reputational risk***

Failure to protect the Group's reputation and brand in the face of ethical, legal or moral challenges could lead to a loss of trust and confidence. This could result in a decline in the client base and affect the Group's ability to recruit and retain good people, which could have a material adverse effect on the Group's financial performance.

The Guarantor recognises the high standards of corporate governance demanded of listed companies. The Guarantor has adopted and complied with the Finance Sector Code of Corporate Governance published by the Guernsey Financial Services Commission (the "Code"). The Code includes many of the principles contained in the UK Corporate Governance Code. While the Company is not required to comply with the Code, it has nevertheless elected to do so.

### ***Currency risk***

The Group's financial statements are presented in U.S. dollars and many of its assets are denominated in U.S. dollars. Although some of the Group's expenses are denominated in U.S. dollars, others are in sterling, euros and other currencies. Principal and interest on the Bonds are denominated and will be paid in sterling. There is a risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of U.S. dollars) and the risk that the U.S. Federal Reserve may impose or modify exchange controls. The Group may hedge some of its exposure to the U.S. dollar or other non-sterling currencies through forward foreign exchange contracts or through other financial products. While hedging may reduce currency risk, it is not possible to hedge fully or perfectly against currency fluctuations, and the Group may also elect to forego hedging. Accordingly, Bondholders may be exposed to exchange rate risks between U.S. dollars (or other non-sterling currency) and sterling such that if the value of the U.S. dollar (or other non-sterling currency) falls relative to sterling, the Group's assets will, in sterling terms, be worth less.

### ***Evaluation and disclosure of investments and investment performance***

Details of investments that the Group has or is pursuing or intends to pursue, cannot and will not be disclosed on a named or detailed basis to Bondholders because of confidentiality and other restrictions. To this extent, Bondholders will therefore not have an opportunity to evaluate for themselves such investments and therefore Bondholders will be dependent upon the Group's judgement and ability in investing and managing its assets.

### ***Recovery collection risks***

The Group is exposed to credit risk in various investment structures, most of which involve investing sums recoverable only out of successful investments with a risk of loss of its investment cost. On becoming contractually entitled to proceeds, depending on the structure of the particular investment, the Group could be a creditor of, or otherwise subject to credit risk from, a claimant, a defendant, both or other parties. Moreover, the Group may be indirectly subject to credit risk to the extent a defendant

does not pay a claimant immediately, notwithstanding successful adjudication of a claim in the claimant's favour. Part of the case selection process for investment involves an assessment by the Group of the ability of the defendant to pay a judgment or award if the case is successful. If the defendant is unable to pay or the claimant or defendant challenges the judgment or award, the Group may encounter difficulties in recovery.

#### ***Potential commitments in excess of funds raised***

The Group may contract for commitments in matters in excess of its total funds. While the Group intends to manage its investment portfolio in such a manner as to minimise the risk of a mismatch between commitments and available cash, it is possible that such a mismatch will occur, which could cause damage to the Group and the potential loss of business and financial relationships.

#### ***Reliance on lawyers***

The Group is particularly reliant on lawyers to litigate claims and defences with due skill and care. If they are not able to do this, or do not do this for other reasons, it is likely to have a material adverse effect on the value of the Group's investment. Whilst the Group will evaluate the lawyers involved in any investment (who are generally not selected by the Group), there is no guarantee that the outcome of a case will be in line with the lawyers' assessment of the case or in line with the expected skill and care from the lawyers.

#### ***Changes in regulation***

The Group is subject to regulatory requirements currently and may be subject to additional regulatory requirements both in its current areas of activity and any future areas of activity. The Group will be under a duty to comply with any new rules, regulations and laws applicable to it. Compliance with these rules, regulations and laws could create additional burdens for the Group and could have a material adverse effect on the investment strategies of, and/or the value of, direct or indirect business or financial interests of the Group.

#### ***Legal professional duties***

The Group will generally not wholly own or control a claim in which it has invested, and as a result the Group will not be the client of the law firm representing the owner of the claim that is the subject of an investment or financing of the Group. Accordingly that law firm may be required to act in accordance with its client's wishes rather than those of the Group or may be subject to an overriding duty to the courts.

#### ***Operational risks***

Operational risks, including the risk of fraud and other criminal acts carried out against the Group, are inherent in the Group's business. As the Group's business grows in size and complexity, and in particular as the Group enters new markets, operational risk increases.

Operational risk and losses can result from external and internal fraud, failures or inadequacies in systems or processes, failure to comply with regulatory requirements and conduct of business rules, errors by employees, natural disasters or the failure of external systems, for example, those of the Group's contractual counterparties. The Group has implemented a risk management framework which seeks to maintain residual risk exposures within defined risk appetite thresholds, and appropriate resources are devoted to developing efficient procedures, including the identification and rectification of weaknesses. However, it is not possible to implement procedures which fully control each of the operational risks noted above.

Terrorist acts, other acts of war or hostility and geopolitical, pandemic or other such events may result in economic and political uncertainties which could have a material adverse effect on U.S, U.K. and international economic conditions and more specifically on the Group's results of operations, financial condition or prospects. In addition, an incident incapacitating the Group's management or systems could impact on the Group's ability to carry on its business.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Group will be unable to comply with its obligations as a company with securities admitted to the Official List of the Financial Conduct Authority.

***Reliance on key personnel***

The Group's performance is, to a large extent, dependent upon the judgement and ability of its senior management to implement the Group's strategy to use and commit the Group's capital and finance, manage and realise returns on its investments. The success of the Group will therefore depend largely upon the ability of certain members of its senior management and the Group's ability to train, motivate and retain them to ensure their continuing availability. The death, incapacity or loss of the service of any of its senior management could have a material adverse impact on the business of the Group.

In addition, the Group's performance may be limited by its ability to employ, train, motivate and retain sufficient skilled personnel. Such a failure to retain or recruit suitable replacements for significant numbers of skilled personnel could damage the Group's business.

***The Group's operations are dependent on the proper functioning of information technology systems***

The Group relies on its information technology ("IT") systems to conduct its business, including key account management, documentation, producing financial and management reports on a timely basis and maintaining accurate records. The Group's processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Any failure of the IT systems and/or third-party infrastructure on which the Group relies could lead to costs and disruptions that could adversely affect the Group's reputation, business, results of operations, financial condition and prospects.

Computer and data-processing systems are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant malfunction or interruption of one or more of the Group's computer or data-processing systems could adversely affect the Group's ability to keep its operations running efficiently and affect service availability. In addition, it is possible that a malfunction of the Group's data system security measures could enable unauthorised persons to access sensitive data, including information relating to the Group's intellectual property or litigation or business strategy or those of its customers. Any such malfunction or disruptions could cause economic losses. A failure of the Group's IT systems could also cause damage to its reputation which could harm its business. Any of these developments, alone or in combination, could have a material adverse effect on the Group's business, financial condition and results of operations.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with Notes admitted to the Official List of the Financial Conduct Authority.

### ***The Group's operations may be affected by its acquisition of Gerchen Keller***

In December 2016, the Group completed the acquisition of Gerchen Keller. Gerchen Keller is a law-focused investment manager registered as an investment adviser with the U.S. Securities and Exchange Commission. As Gerchen Keller operates almost exclusively through its private funds, and does not typically invest directly on its own balance sheet, its revenues are predominantly from the receipt of management and performance fees from its funds, which is in contrast to the rest of the Group, which profits directly from investments it makes. This is a new means of conducting business for the Group. Furthermore, the acquisition could divert significant management time and resources from the day to day running of the business. No assurances can be given that Gerchen Keller will be managed profitably or integrated successfully into the Group or that the Group will successfully develop that part of the business focussed on management and performance fees from private funds, without delays, costs or other problems being experienced. Finally, despite conducting thorough due diligence into Gerchen Keller, it is possible that unanticipated liabilities could arise in respect of the acquisition.

### **Tax risks**

#### ***Characterisation of investments***

Tax laws and regulations are under constant development and often subject to change as a result of government policy. The Group structures investments on a case-by-case basis in accordance with legal and ethical principles and limitations identified by the Group and its professional advisors. There is no guarantee that a state, federal or other governmental taxing authority in the jurisdiction where the investment is made or where the relevant claim is pending will accept, for tax or other regulatory purposes, the characterisation of the investment as intended and documented by the Group and reflected in the investment documents. Taxing or other regulatory authorities may deem the transaction to be characterised differently for local tax or other regulatory purposes, which could yield a different tax or regulatory treatment of the associated investment returns.

If the Group or a taxing authority does re-characterise investment contracts or disbursements for their accounting or taxing purposes respectively, this could result in additional tax being assessed on the Group on investment returns associated with the contract; a write down of the value of the investment asset on the books of the Group; or a re-characterisation of the investment contract for purposes of interpretation or enforcement of the Group's rights in a place whose courts have jurisdiction over the enforcement of the investment contract or judgment or arbitral award based on such contract.

#### ***Tax leakage***

Some or all revenues earned by the Group may be subject to a significant income or corporate income tax liability (including withholdings) which cannot be reclaimed by the Group. If applicable, the rates of such taxes (or withholdings) will depend on the jurisdiction in which the revenues are earned (or with which they are connected) and will reduce the net returns on the Group's investments and, as a result, diminish the potential value of the Group's assets.

#### ***Changes in taxation legislation or regulation may adversely affect the Group or Bondholders***

Any change in the Group's tax status, or in taxation legislation in any jurisdiction in which the Group carries on, or is deemed to carry on, a trade or business or from which its income is sourced, could affect the value of its investments and the Group's ability to achieve its investment objective, and may adversely affect returns to Bondholders.

## **Factors which are material for the purpose of assessing the market risks associated with the Bonds**

### ***Risks related to the Bonds***

#### ***The Bonds are not protected by the Financial Services Compensation Scheme (“FSCS”)***

Unlike a bank deposit, the Bonds are not protected by the FSCS. As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer and the Guarantor to pay amounts owing under the Bonds. If the Issuer and the Guarantor go out of business or become insolvent, the Bondholders may lose all or part of their investment in the Bonds.

#### ***The value of the Bonds could be adversely affected by a change in English law***

The structure of the issue of the Bonds is based on English law, regulatory and administrative practice in effect as at the date of this Prospectus, and has due regard to the expected tax treatment of all relevant entities under U.K. tax law and the published practice of HM Revenue & Customs in force or applied in the U.K. as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law, regulatory or administrative practice in the U.K., or to U.K. tax law, or the interpretation or administration thereof, or to the published practice of HM Revenue & Customs as applied in the U.K. after the date of this Prospectus.

#### ***Risk of early repayment***

In the event of any change in tax law after the Bonds have been issued that would result in the Issuer or the Guarantor being required to pay any additional amount in respect of a withholding or deduction on account of tax, the Bonds may be repaid if the Issuer chooses to do so pursuant to Condition 8.2. The redemption price in these circumstances is at the principal amount of the Bonds plus accrued interest.

In addition, the Bonds may be repaid early, at any time, if the Issuer chooses to do so pursuant to Condition 8.3, at 100 per cent. of their principal amount or, if higher, an amount calculated by reference to the then current yield of the U.K. 1.5 per cent. Treasury Gilt 2026 plus a margin of 1.00 per cent., together with any accrued interest.

Upon repayment of the Bonds, if you chose to reinvest the repayment proceeds from the Bonds, you may not be able to reinvest those proceeds at an effective interest rate as high as the interest rate on the Bonds being repaid and may only be able to do so at a significantly lower rate. At the time you invest in the Bonds, you should consider this reinvestment risk in light of other investments available at that time.

#### ***The Terms and Conditions of the Bonds contain provisions which may permit their modification, waiver and substitution without the consent of all Bondholders***

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a different manner than the majority did.

The Terms and Conditions of the Bonds also provide that the Trustee may, without the consent of Bondholders, agree to: (a) any modification of any of the provisions of the trust deed constituting the Bonds (which includes the Guarantee) dated 1 June 2017 (the “**Trust Deed**”) that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error or an error which, in the opinion of the Trustee, is proven; (b) any other modification of, and any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed if, in the

opinion of the Trustee such modification is not materially prejudicial to the interests of the Bondholders; or (c) the substitution of the Guarantor or a subsidiary of the Guarantor as principal debtor under the Bonds in place of the Issuer, in the circumstances described in Condition 15 and subject to the satisfaction of certain conditions.

### ***Trustee Indemnity***

In certain circumstances, the Bondholders may be dependent on the Trustee to take certain actions in respect of the Bonds. Prior to taking such action, pursuant to the Terms and Conditions of the Bonds the Trustee may require to be indemnified and/or secured and or pre-funded to its satisfaction. If so, and the Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction, it may decide not to take such action and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Bondholders would have to either provide such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. Bondholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any potential inaction by the Trustee. Such inaction by the Trustee will not entitle Bondholders to take action directly against the Issuer or the Guarantor to pursue remedies for any breach by any of them of terms of the Trust Deed or the Bonds unless the Trustee has failed within a reasonable time to do so.

### ***Holding CREST depository interests***

You may hold the Bonds through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (“**CREST**”). CREST allows bondholders to hold bonds in a dematerialised form, rather than holding physical bonds. Instead of issuing physical bonds, CREST issues what are known as depository interests which are held and transferred through CREST (CDIs), representing the interests in the relevant Bonds underlying the “**CDIs**” (the “**Underlying Bonds**”). Holders of CDIs (the “**CDI Holders**”) will not be the legal owners of the Underlying Bonds. The rights of CDI Holders to the Underlying Bonds are represented by the relevant entitlements against CREST Depository Limited (the “**CREST Depository**”) through which CREST International Nominees Limited (the “**CREST Nominee**”) holds interests in the Underlying Bonds. Accordingly, rights under the Underlying Bonds cannot be enforced by CDI Holders directly against the Issuer; instead they must be enforced through CREST. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Bonds in the event of any insolvency or liquidation of any of CREST, the CREST Depository and the CREST Nominee, in particular where the Underlying Bonds 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 CREST.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (“**CREST Deed Poll**”). You should note that the provisions of the CREST Deed Poll, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the “**CREST Manual**”) and the CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service (the “**CREST Rules**”) contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of holders of Bonds which are not represented by CDIs.

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

You should note that none of the Issuer, the Manager, the Trustee or the Paying Agent 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.

You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

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

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

#### ***There may not be a liquid secondary market for the Bonds and their market price may be volatile***

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, neither the Manager nor any other person is under an obligation to maintain such a market for the life of the Bonds and the market may not be liquid. Therefore, you may not be able to sell your Bonds easily or at prices that will provide you with a then current yield comparable to similar investments that have a developed secondary (i.e. after the Issue Date) market. The Bonds are sensitive to interest rate, currency or market risks and are designed to meet the investment requirements of limited categories of investors. For these reasons, the Bonds generally will have a limited secondary market. This lack of liquidity may have a severely adverse effect on the market value of the Bonds.

The Manager is expected to be appointed as registered market-maker on the Order book for Retail Bonds in respect of the Bonds from the date of admission of the Bonds to trading. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours. However, the Manager may not continue to act as market-maker for the life of the Bonds. If a replacement market-maker was not appointed in such circumstances, this could have an adverse impact on your ability to sell the Bonds.

#### ***Global economic disruption***

In addition, Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Bonds, concerns over the liquidity of major banks and building societies and the consequent effects on the general economy. The Issuer cannot predict when these circumstances will change and, if and when they do, whether conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will be available in the future.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent the Bonds are legal investments for it. Financial institutions

should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

***A credit rating is only an opinion and is subject to change***

At the date of this Prospectus, neither the Issuer nor the Guarantor have been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency. Investors will need to make their own assessment of the credit of the Issuer and the Guarantor and the other factors which may affect the value of the Bonds without the benefit of an independent credit rating.

There can be no guarantee that a credit rating will be assigned to the Issuer, the Guarantor or the Bonds in the future. Even if such a credit rating is obtained, investors in the Bonds should be aware that a credit rating is not a recommendation to buy, sell or hold any of the Bonds and any credit rating that may be assigned to the Bonds may be subject to suspension, change or withdrawal at any time by the rating agency. Any credit rating that may be assigned to the Bonds may go down as well as up.

***Yield***

The indication of yield (i.e. the income return on the Bonds) stated within this Prospectus (see Section 3 (*Information about the Bonds – What is the yield on the Bonds?*)) applies only to investments made at (as opposed to above or below) the issue price of the Bonds. If you invest in the Bonds at a price other than the issue price of the Bonds, the yield on the investment will be different from the indication of yield on the Bonds as set out in this Prospectus.

***Realisation from sale of the Bonds may be less than your original investments***

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

***Changes in interest or inflation rates may adversely affect the value of the Bonds***

The Bonds bear interest at a fixed rate rather than by reference to an underlying index. Accordingly, you should note that if interest rates rise, then the income payable on the Bonds might become less attractive and the price that you could realise on a sale of the Bonds may fall. However, the market price of the Bonds from time to time has no effect on the total income you receive on maturity of the Bonds if you hold the Bonds until the Maturity Date. Further, inflation will reduce the real value of the Bonds over time, which may affect what you could buy with your investment in the future and may make the fixed rate payable on the Bonds less attractive in the future, again affecting the price that you could realise on a sale of the Bonds.

***The clearing systems***

Because the Global Certificate may be held by or on behalf of Euroclear and Clearstream, Luxembourg and a nominee of the common depository of such clearing systems entered in the register of Bondholders, you will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Bonds will be evidenced by the Global Certificate. Such Global Certificate may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, you will not be entitled to receive Certificate Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Certificate. While the

Bonds are represented by the Global Certificate, you will be able to trade your interests only through Euroclear or Clearstream, Luxembourg.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under such Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Certificate.

Holder of interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg.

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## **Information about the Bonds**

## INFORMATION ABOUT THE BONDS

**The following is an overview of the key terms of the Bonds.**

The full Terms and Conditions of the Bonds are contained in Appendix 2. It is important that you read the entirety of this Prospectus, including the Terms and Conditions of the Bonds, before deciding to invest in the Bonds. If you have any questions, you should seek advice from your independent financial adviser or other professional adviser before deciding to invest.

		<b>Refer to</b>
<b>What are the Bonds?</b>	The Bonds are debt instruments issued by the Issuer and guaranteed by the Guarantor. The Bonds will be subject to the “ <i>Terms and Conditions of the Bonds</i> ” which are set out in Appendix 2. The “ <b>Bonds</b> ”:	Appendix 2 ( <i>Terms and Conditions of the Bonds</i> )
	(a) entitle Bondholders to receive semi-annual interest payments at a fixed interest rate of 5.0 per cent. per annum;	
	(b) have a principal amount of £100 per Bond;	
	(c) must be paid back in full on 1 December 2026 (the “ <b>Maturity Date</b> ”);	
	(d) in certain circumstances however, may be repaid prior to the Maturity Date if the Issuer chooses to do so;	
	(e) are not secured by the Issuer’s or the Guarantor’s assets; and	
	(f) are intended to be admitted to trading on the London Stock Exchange, through its Order book for Retail Bonds.	
<b>Who is issuing the Bonds?</b>	The Bonds will be issued by Burford Capital PLC (the “ <b>Issuer</b> ”).	Section 6 ( <i>Description of the Issuer</i> )
<b>Who is guaranteeing the Bonds?</b>	The obligation of the Issuer to pay interest and principal in respect of the Bonds is guaranteed by Burford Capital Limited (the “ <b>Guarantor</b> ”).  If any subsidiary of the Guarantor (other than certain excluded subsidiaries) incurs financial indebtedness (such as loans, bonds or other forms of borrowing) exceeding £2,000,000 (in aggregate), then the Guarantor shall procure that such subsidiary also guarantees the obligation of the Issuer to pay interest and principal in respect of the Bonds.	Section 7 ( <i>Description of the Guarantor and the Group</i> )

<p><b>What is the relationship between the Issuer, the Guarantor and the Group?</b></p>	<p>The Issuer is a special purpose company which is a subsidiary of Burford Capital (UK) Limited, which is itself an indirectly wholly-owned subsidiary of the Guarantor, and which was established to raise money for use by the Guarantor and its other subsidiaries (the “Group”).</p> <p>The Guarantor is a holding company. It is the parent of the Group. The Group’s operations are generally conducted through direct and indirect subsidiaries of the Guarantor. This means that the Guarantor is, in part, dependent on the performance of such members of the Group and the subsequent receipt of funds by way of dividends to the Guarantor for its principal source of funds.</p> <p>Below is a chart illustrating the Group structure at the date of the Prospectus:</p> <p>1. Owned 8.5% by Olivetz</p>	<p>Sections 6 (<i>Description of the Issuer</i>) and 7 (<i>Description of the Guarantor and the Group</i>)</p>
<p><b>Why are the Bonds being issued? What will the proceeds be used for?</b></p>	<p>The offer of the Bonds is being made to enable the Group to further pursue its general corporate purposes and the net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to other members of the Group for such purposes.</p>	<p>Section 7 (<i>Description of the Guarantor and the Group</i>)</p>
<p><b>Will I be able to trade the Bonds?</b></p>	<p>The Issuer will make an application for the Bonds to be admitted to trading on the London Stock Exchange plc, on its regulated market and through its electronic Order book for Retail Bonds (the “ORB”). If this application is accepted, the Bonds are expected to commence trading on or about 2 June 2017.</p>	<p>Section 10 (<i>Additional Information – Listing and admission to trading of the Bonds</i>)</p>
	<p>Once admitted to trading, the Bonds may be purchased or sold through a broker. The market price of the Bonds may be higher or lower than their issue price depending on, among other things, the level of supply and demand for the Bonds, movements in interest rates and the financial performance of the Issuer, the Guarantor and the Group. See Section 2 (<i>Risk Factors – Risks related to the market generally – There may not be a liquid secondary market for the Bonds and their market price may be volatile</i>).</p>	
<p><b>How will</b></p>	<p>Interest payments in respect of the Bonds will effectively be paid from</p>	<p>Section 7</p>

<b>interest payments on the Bonds be funded?</b>	cash flows generated from the business of the Group, which, as referred to in “ <i>What is the relationship between the Issuer, the Guarantor and the Group</i> ” above, is generally conducted through the Guarantor’s direct and indirect subsidiaries rather than by the Guarantor itself.	<i>(Description of the Guarantor and the Group)</i>
<b>What is the interest rate?</b>	Subject to the following paragraph, the interest rate payable on the Bonds will be fixed until the Maturity Date at 5.0 per cent. per year.	Appendix 2 <i>(Terms and Conditions of the Bonds – Condition 6)</i>
<b>Can the interest rate change?</b>	Yes. In the event that any member of the Group (other than certain excluded subsidiaries) becomes rated at its instigation by any of Moody’s Investors Service Limited (“ <b>Moody’s</b> ”), Standard & Poor’s Credit Market Services Europe Limited (“ <b>S&amp;P</b> ”) or Fitch Ratings Ltd (“ <b>Fitch</b> ”) (or, in each case, any of their affiliate companies) and such initial rating is below “Ba3” (in the case of Moody’s) or “BB-” (in the case of S&P or Fitch), then the rate of interest payable on the Bonds will increase by 1 per cent. per annum to 6.0 per cent. per annum from the next interest payment date following the rating being obtained. Once the rate of interest payable on the Bonds has increased, it will remain at that increased rate of interest for the rest of the life of the Bonds.	Appendix 2 <i>(Terms and Conditions of the Bonds – Condition 6 (Interest))</i>
<b>When will interest payments be made?</b>	The first payment of interest in relation to the Bonds is due to be made on 1 December 2017.  Following the first payment, interest is expected to be paid on 1 June and 1 December in each year up to and including the date the Bonds are repaid.	Appendix 2 <i>(Terms and Conditions of the Bonds – Condition 6 (Interest))</i>
<b>How is the amount of interest payable calculated?</b>	The Issuer will pay a fixed rate of 5.0 per cent. interest per year in respect of the Bonds. Interest will be payable in two semi-annual instalments. Therefore, for each £100 principal amount of Bonds that you buy on 1 June 2017, for instance, you will receive £2.50 on 1 December 2017 and £2.50 on 1 June 2018, and so on every six months until and including the Maturity Date (unless you sell the Bonds or they are repaid by the Issuer before the Maturity Date).  The amounts of interest payable would increase in the circumstances set out in “ <i>Can the rate of interest change?</i> ” above.	Appendix 2 <i>(Terms and Conditions of the Bonds – Condition 6 (Interest))</i>
<b>What is the yield on the Bonds?</b>	On the basis of the issue price of the Bonds being 100 per cent. of their principal amount and the rate of interest being 5.0 per cent. per annum, the initial yield (being the interest received from the Bonds expressed as a percentage of their principal amount) of the Bonds on the Issue Date is 5.0 per cent. on an annual basis. This initial yield is not an indication of future yield.	N/A
<b>What will Bondholders receive in a winding up of</b>	If the Issuer or the Guarantor becomes insolvent and is unable to pay its debts, an administrator or liquidator would be expected to make distributions to its creditors in accordance with a statutory order of priority. Your claim as a Bondholder would be expected to rank after the	N/A

<b>the Issuer and the Guarantor?</b>	claims of any creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of any shareholder of the Issuer or the Guarantor, as applicable. A simplified diagram illustrating the expected ranking of the Bonds compared with other creditors of the Issuer and the Guarantor, as the case may be, is set out below:		
		<b>Type of obligation</b>	<b>Examples of obligations</b>
	Higher Ranking	Proceeds of fixed charge assets	Currently none
		Expenses of the liquidation /administration	Currently none
		Preferential creditors	Including remuneration due to employees
		Proceeds of floating charge assets	Currently none
		Unsecured obligations, including guarantees in respect of them	Including the Bonds and the Guarantee of the Guarantor.
	Lower Ranking	Shareholders	Ordinary shareholders
	However, as well as being aware of the ranking of the Bonds compared with the other categories of creditor, and shareholders of the Guarantor, you should note that the Guarantor holds all of its assets in its subsidiaries. (See “ <i>Description of the Guarantor and the Group</i> ” for details of the Guarantor’s principal subsidiaries.)		
	The Guarantor’s right to participate in a distribution of its subsidiaries’ assets upon their liquidation, re-organisation or insolvency is generally subject to any claims made against the subsidiaries, including creditors such as any lending bank and trade creditors. The obligations of the Guarantor under the Guarantee are therefore structurally subordinated to any liabilities of the Guarantor’s subsidiaries. Structural subordination in this context means that, in the event of a winding up or insolvency of the Guarantor’s subsidiaries, any creditors of that subsidiary would have preferential claims to the assets of that subsidiary ahead of any creditors of the Guarantor (i.e. including Bondholders).		
	A simplified diagram illustrating the structural subordination of the Guarantor’s obligations under the Bonds to any liabilities of the Guarantor’s subsidiaries referred to above is set out below by way of example by reference to a subsidiary of the Guarantor, Burford Capital (UK) Limited.		
		<b>Type of obligation</b>	<b>Examples of</b>

			<b>obligations</b>	
	Higher Ranking	Proceeds of fixed charge assets	Currently none	
		Expenses of the liquidation /administration	Currently none	
		Preferential creditors	Including remuneration due to employees	
		Proceeds of floating charge assets	Currently none	
		Unsecured obligations, including guarantees in respect of them	e.g. trade creditors and unsecured obligations (including obligations as borrower or guarantor)	
	Lower Ranking	Shareholders	Ordinary shareholders	
	<p>If any subsidiary of the Guarantor (other than certain excluded subsidiaries) incurs financial indebtedness (such as loans, bonds or other forms of borrowing) exceeding £2,000,000 (in aggregate), then the Guarantor shall procure that such subsidiary also guarantees the obligation of the Issuer to pay interest and principal in respect of the Bonds. This mitigates the effect of the structural subordination described above once the financial indebtedness of that subsidiary exceeds £2,000,000 because (once the guarantee is in place), in the event of a winding up or insolvency of that subsidiary, the Bondholders would have a direct claim against that subsidiary as an unsecured creditor.</p>			
<b>Are the Bonds secured?</b>	Neither the Issuer's nor the Guarantor's obligations to pay interest and principal on the Bonds will be secured either by any of the Issuer's or any other member of the Group's assets or otherwise.			N/A
<b>Do the Bonds have a credit rating?</b>	At the date of this Prospectus, neither the Issuer nor the Guarantor have been assigned a credit rating by any independent credit rating agency and, accordingly, the Bonds have not been assigned a credit rating by any independent credit rating agency.			Section 2 ( <i>Risk Factors</i> )
<b>When will the Bonds be repaid?</b>	<p>The Issuer must repay all the Bonds on the Maturity Date (unless repaid earlier), which is 1 December 2026. The repayment price under such circumstances will be the principal amount of the Bonds.</p> <p>The Issuer may repay all or any part of the Bonds prior to the Maturity Date in certain circumstances. In the event of any change in tax law after the Bonds have been issued that would result in the Issuer or the Guarantor being required to pay any additional amount in respect of a withholding or deduction on account of tax, the Bonds may be repaid if the Issuer chooses to do so. The redemption price in these circumstances is at the principal amount of the Bonds plus accrued interest.</p>			Appendix 2 ( <i>Terms and Conditions of the Bonds – Condition 8 (Redemption and Purchase)</i> )

	<p>The Issuer also has a right to redeem the Bonds early at its option at any time. In this case, you will receive back a minimum of the principal amount of your Bonds plus any interest accrued thereon until the date of repayment; in certain circumstances you may receive a higher amount of cash compensation for the loss of income you would have received had the Bonds remained outstanding. On repayment, such payments will be made to you equal to the higher of the principal amount of the Bonds (£100 per £100 in principal amount of Bonds) you hold, or a price whereby the yield given up as a result of the Bonds being repaid early will equal that of a bond issued by HM Treasury of comparable maturity plus a margin of 1.00 per cent., together with any accrued interest. For example, as the Bonds have a fixed interest rate of 5.0 per cent. and mature on 1 December 2026, if the Bonds were repaid on 1 June 2018 the cash payment would amount to £122.42 for every Bond issued at a principal amount of £100.</p>	
<p><b>Do the Bonds have voting rights?</b></p>	<p>Bondholders have certain rights to vote at meetings of Bondholders, but are not entitled to vote at any meeting of shareholders of the Issuer, the Guarantor or any member of the Group.</p>	<p>Appendix 2 <i>(Terms and Conditions of the Bonds – Condition 16 (Meetings of Bondholders, Modification, Waiver, Authorisation and Determination))</i></p>
<p><b>Who will represent the interests of the Bondholders?</b></p>	<p>U.S. Bank Trustees Limited (the “Trustee”) is appointed to act on behalf of the Bondholders as an intermediary between Bondholders and the Issuer and the Guarantor throughout the life of the Bonds. The main obligations of the Issuer and the Guarantor (such as the obligation to pay and observe the various covenants in the Terms and Conditions of the Bonds) are owed to the Trustee. These obligations are enforceable by the Trustee only, not the Bondholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Issuer, the Trustee’s role is to protect the interests of the Bondholders.</p>	<p>Appendix 2 <i>(Terms and Conditions of the Bonds)</i></p>

<p><b>Can the Terms and Conditions of the Bonds be amended?</b></p>	<p>The Terms and Conditions of the Bonds provide that the Trustee may agree to: (a) any modification of any of the provisions of the trust deed pursuant to which the Bonds are constituted (which includes the Guarantee) dated 1 June 2017 (the “<b>Trust Deed</b>”) that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error (which is an indisputable error) or an error which, in the opinion of the Trustee, is proven; (b) waive, modify or authorise a proposed breach by the Issuer of a provision of the Trust Deed if, in the opinion of the Trustee, such modification is not prejudicial to the interests of the Bondholders; or (c) the substitution of a member of the Group as principal debtor under the Bonds in place of the Issuer, in certain circumstances and subject to the satisfaction of certain conditions. The Trustee can agree to any such changes without obtaining the consent of any of the Bondholders.</p>	<p>Appendix 2 <i>(Terms and Conditions of the Bonds – Condition 16 (Meetings of Bondholders, Modification, Waiver, Authorisation and Determination))</i></p>
	<p>Bondholders may also sanction a modification of the Terms and Conditions of the Bonds by passing an Extraordinary Resolution.</p>	
<p><b>How do I apply for Bonds?</b></p>	<p>Details on how to apply for the Bonds are set out in Section 4 (<i>How to apply for the Bonds</i>).</p>	<p>Section 4 (<i>How to apply for the Bonds</i>)</p>
<p><b>What if I have further queries?</b></p>	<p>If you are unclear in relation to any matter, or uncertain if the Bonds are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether to invest.</p>	<p>N/A</p>

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## **How to apply for the Bonds**

## HOW TO APPLY FOR THE BONDS

The following is a description of what you must do if you wish to apply for any Bonds.

<p><b>How and on what terms will Bonds be allocated to me?</b></p>	<p>Applications to purchase the 5.0 per cent. guaranteed bonds due 2026 (the “<b>Bonds</b>”) cannot be made directly to Burford Capital PLC (the “<b>Issuer</b>”). Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.</p>
	<p>It is important to note that none of the Issuer, Burford Capital Limited (the “<b>Guarantor</b>”), Peel Hunt LLP (the “<b>Manager</b>”) or U.S. Bank Trustees Limited (the “<b>Trustee</b>”) are party to such arrangements between you and the relevant Authorised Offeror (being any financial intermediary which satisfies the conditions as set out in the section of the Prospectus titled “<i>Important Legal Information</i>”). You must therefore obtain this information from the relevant “<b>Authorised Offeror</b>”. Because they are not party to the dealings you may have with the Authorised Offeror, the Issuer, the Guarantor, the Manager and the Trustee will have no responsibility to you for any information provided to you by the Authorised Offeror.</p>
<p><b>How many Bonds will be issued to investors?</b></p>	<p>The total amount of the Bonds to be issued will depend partly on the amount of Bonds for which indicative offers to purchase Bonds are received during the Offer Period (as defined below). This total amount will be specified in an announcement which the Issuer intends to publish through a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange plc (the “<b>London Stock Exchange</b>”) (<a href="http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html">www.londonstockexchange.com/exchange/news/market-news/market-news-home.html</a>)) on or about 26 May 2017 (the “<b>Sizing Announcement</b>”).</p>
<p><b>How and when must I pay for my allocation and when will that allocation be delivered to me?</b></p>	<p>You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) and the arrangements for the Bonds to be delivered to you in return for payment.</p>
<p><b>When can the Authorised Offerors offer the Bonds for sale?</b></p>	<p>An offer of the Bonds may, subject to applicable law or regulation, be made by the Manager and the other Authorised Offerors in the U.K., the Bailiwick of Guernsey, Jersey and/or the Isle of Man during the period from 11 May 2017 until 12.00 (noon) (London time) on 26 May 2017, or such earlier time and date as agreed between the Issuer, the Guarantor and the Manager and announced via a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the “<b>Offer Period</b>”).</p>

<p><b>Is the offer of the Bonds conditional on anything else?</b></p>	<p>The issue of the Bonds is conditional upon the subscription agreement to be dated on or around 30 May 2017 (the “<b>Subscription Agreement</b>”) being signed by the Issuer, the Guarantor and the Manager. The Subscription Agreement will include certain conditions which must be satisfied (including the delivery of legal opinions and auditors comfort letters satisfactory to the Manager and the execution of the Trust Deed). If these conditions are not satisfied, the Manager may be released from its obligations under the Subscription Agreement before the issue of the Bonds. For further information on the Subscription Agreement, see Section 9 (<i>Subscription and Sale</i>).</p>
<p><b>Is it possible that I may not be issued with the number of Bonds I apply for? Will I be refunded for any excess amounts paid?</b></p>	<p>You may not be allocated all (or any) of the Bonds for which you apply. This might happen for example if the total amount of orders for the Bonds exceeds the number of Bonds that are issued. There will be no refund as you will not be required to pay for any Bonds until any application for the Bonds has been accepted and the Bonds have been allocated to you.</p>
<p><b>Is there a minimum or maximum amount of Bonds that I can apply for?</b></p>	<p>The minimum application amount for each investor is £2,000. There is no maximum amount of application.</p>
<p><b>How and when will the results of the offer of the Bonds be made public?</b></p>	<p>The results of the offer of the Bonds will be made public in the Sizing Announcement, which will be published prior to the Issue Date. The Sizing Announcement is currently expected to be made on or around 26 May 2017.</p>
<p><b>Who can apply for the Bonds? Have any Bonds been reserved for certain countries?</b></p>	<p>Subject to certain exceptions, and to applicable law and regulation, Bonds may only be offered by the Authorised Offerors in the U.K., the Bailiwick of Guernsey, Jersey and/or the Isle of Man during the Offer Period. No Bonds have been reserved for certain countries.</p>
<p><b>When and how will I be told of how many Bonds have been allotted to me?</b></p>	<p>You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) in accordance with the arrangements in place between you and the Authorised Offeror.</p>

<p><b>Have any steps been taken to allow dealings in the Bonds before investors are told how many Bonds have been allotted to them?</b></p>	<p>No steps have been taken by the Issuer to allow the Bonds to be traded before informing you of your allocation of Bonds.</p>
<p><b>What is the amount of any expenses and taxes specifically that will be charged to me?</b></p>	<p>None of the Issuer, the Guarantor or the Manager will charge you any expenses relating to an application for or purchase of any Bonds.</p> <p>However, expenses may be charged to you by an Authorised Offeror. These expenses are beyond the control of the Issuer, are not set by the Issuer and will be disclosed to any potential investor by the relevant Authorised Offeror at the relevant time. The Issuer estimates that, in connection with the sale of Bonds to you, the expenses charged to you by one of the Authorised Offerors known to the Issuer as at the date of the Prospectus may be between 0 per cent. and 7 per cent. of the aggregate nominal amount of the Bonds sold to you. This is an estimated range of expenses. The actual expenses to be charged will depend on your individual circumstances and your relationship with your stock broker or other financial adviser; they will vary from investor to investor.</p>
<p><b>What are the names and addresses of those distributing the Bonds?</b></p>	<p>As of the date of this Prospectus, the persons listed below are initial Authorised Offerors who have each been appointed by the Issuer, the Guarantor and the Manager to offer and distribute, subject to applicable law or regulation, the Bonds in the U.K., the Bailiwick of Guernsey, Jersey and/or the Isle of Man during the Offer Period.</p>
	<p><b>AJ Bell Securities Limited</b> 4 Exchange Quay Salford Quays Manchester, M5 3EE</p>
	<p><b>Equiniti Financial Services Limited</b> Aspect House Spencer Road Lancing West Sussex BN99 6DA</p>
	<p><b>Hargreaves Lansdown</b> 1 College Square South, Anchor Road, Bristol, BS1 5HL</p>
	<p><b>Interactive Investor</b> Standon House 21 Mansell Street London E1 8AA</p>

	<p><b>Redmayne-Bentley LLP</b>  9 Bond Court  Leeds  LS1 2JZ</p>
	<p><b>Smith &amp; Williamson</b>  NCL Investments Limited  25 Moorgate  London, EC2R 6AY</p>
	<p>Each of the Issuer and the Guarantor has granted consent to the use of this Prospectus by other relevant stockbrokers and financial intermediaries during the Offer Period on the basis of, and so long as they comply with, the conditions described in Section 11 (<i>Important Legal Information - Consent</i>). None of the Issuer, the Guarantor or the Manager has authorised, nor will they authorise, the making of any other offer of the Bonds in any other circumstances.</p>
<p><b>Will a registered market-maker be appointed?</b></p>	<p>The Manager will be appointed as registered market-maker through the Order for Retail Bonds in respect of the Bonds from the date on which the Bonds are admitted to trading on the London Stock Exchange. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours.</p>

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# **Taxation**

## TAXATION

If you are considering applying for the Bonds, it is important that you understand the taxation consequences of investing in the Bonds. You should read this Section and discuss the taxation consequences with your tax adviser, financial adviser or other professional adviser before deciding whether to invest.

The summary below is intended as a general guide only and is not intended to be, nor should it be construed to be, legal or tax advice. It is based on the Issuer's understanding of current law and practice in the relevant jurisdictions as of the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. If you may be subject to tax in a jurisdiction other than the U.K. or Guernsey or are unsure as to your tax position, you should seek your own professional advice.

### **U.K.**

The summary set out below describes certain U.K. taxation considerations relating to the Bonds. It applies only to persons who are the absolute beneficial owners of Bonds, who hold their Bonds as investments and (save where it is explicitly stated otherwise) who are resident and (in the case of individuals) domiciled for tax purposes in the U.K.. Some aspects do not apply to certain classes of person (such as dealers, certain professional investors and persons connected with the Issuer) to whom special rules may apply. The U.K. tax treatment of prospective Bondholders depends on their individual circumstances and may therefore differ to that set out below.

This summary only deals with the matters expressly set out below. It does not purport to be a complete analysis of all tax considerations relating to the Bonds.

### ***Interest on the Bonds***

#### *Withholding tax on the Bonds*

Payments of interest by the Issuer on the Bonds may be made without deduction of or withholding on account of U.K. income tax provided that the Bonds are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "Act"). The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 ("FSMA")) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds are and remain so listed, interest on the Bonds will be payable without withholding or deduction on account of U.K. tax.

In other cases, an amount must generally be withheld from payments of interest on the Bonds on account of U.K. income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Bondholder, HM Revenue & Customs ("HMRC") can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

#### *Further U.K. income tax issues*

Interest on the Bonds constitutes U.K. source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a U.K. source properly received without deduction or withholding on account of U.K. tax will not be chargeable to U.K. tax in the hands of a Bondholder who is not resident for tax

purposes in the U.K. unless that Bondholder carries on a trade, profession or vocation in the U.K. through a U.K. branch or agency or for holders who are companies through a U.K. permanent establishment, in connection with which the interest is received or to which the Bonds are attributable. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

#### *Guaranteed Issues*

If a Guarantor makes any payments in respect of interest on the Bonds, such payments may be subject to withholding on account of U.K. tax, subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other relief that may apply. Such payments by such Guarantor may not, however, be eligible for the exemption from the obligation to withhold tax described in the first paragraph under *Withholding tax on the Bonds* above.

#### ***U.K. Corporation Tax Payers***

In general, Bondholders which are within the charge to U.K. corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Bonds (whether attributable to currency fluctuations or otherwise) broadly in accordance with UK GAAP or IFRS accounting treatment.

#### ***Other U.K. Tax Payers***

##### *Interest*

Bondholders who are individuals and are resident for tax purposes in the U.K. or who carry on a trade, profession or vocation in the U.K. through a branch or agency to which the Bonds are attributable will generally be liable to U.K. tax on the amount of any interest received in respect of the Bonds.

##### *Taxation of Chargeable Gains*

For Bondholders who are individuals, Bonds issued on the Issue Date will constitute “qualifying corporate bonds” within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal by a Bondholder of such a Bond (including a redemption) will not give rise to a chargeable gain or an allowable loss for the purposes of the U.K. taxation of chargeable gains.

##### *Accrued Income Scheme*

The Bonds are likely to constitute variable rate securities for the purposes of the accrued income scheme. Under the accrued income scheme on a disposal of Bonds by a Bondholder who is resident in the U.K. or carries on a trade in the U.K. through a branch or agency (other than a Bondholder within the charge to U.K. corporation tax with respect to the Bonds) to which the Bonds are attributable the Bondholder may be charged to income tax on an amount of income which is just and reasonable in the circumstances. The purchaser of such a Bond will not be entitled to any equivalent tax credit under the accrued income scheme to set against any actual interest received by the purchaser in respect of the Bonds (which may therefore be taxable in full).

##### *Individual Savings Accounts*

For Bondholders who are individuals, the Bonds will be qualifying investments for both the stocks and shares component of an Individual Savings Account (an “**ISA**”) and a Lifetime Individual Savings Account (a “**LISA**”) under the Individual Savings Account Regulations 1998 (the “**ISA Regulations**”) provided in each case that the Bonds are listed before they are first held in the ISA or LISA and

continue to be listed on the official list of a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Individual Bondholders who acquire or hold their Bonds through an ISA or a LISA and who satisfy the requirements for tax exemption in the ISA Regulations will not be subject to UK tax on interest or other amounts received in respect of the Bonds.

The opportunity to invest in Bonds through an ISA or a LISA is restricted to individuals. Individuals wishing to purchase the Bonds through an ISA or a LISA should contact their professional advisers regarding their eligibility.

#### *Stamp Duty and Stamp Duty Reserve Tax*

No U.K. stamp duty or stamp duty reserve tax is payable on the issue of the Bonds or on a transfer of the Bonds.

#### *SIPP Eligibility*

The Bonds should be eligible for inclusion within a SIPP (a self-invested personal pension) that is a registered pension scheme under the Finance Act 2004.

### **Guernsey**

The summary set out below describes certain taxation matters of Guernsey based on the Issuer's understanding of current law and practice in Guernsey as of the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. This summary is intended as a general guide only and is not intended to be, nor should it be construed to be, legal or tax advice.

The Issuer should not be considered Guernsey tax resident on the basis that the Issuer was not incorporated in Guernsey, and is not controlled in Guernsey. Therefore, the Issuer should not be liable to Guernsey corporate income tax on the basis the Issuer is not Guernsey tax resident; does not carry on business in Guernsey, and does not receive Guernsey source income taxable at the 10 per cent. or 20 per cent. tax rates.

The Guarantor applies on an annual basis for tax exempt status in Guernsey pursuant to the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989, as amended (the "**Ordinance**"). Under the provisions of the Ordinance, exemption is renewed annually, and will be granted by the Director of Income Tax, provided the Guarantor continues to comply with the requirements of the Ordinance, and upon payment of an annual fee, currently £1,200 per annum. As an exempt entity, the Guarantor is treated as non-tax resident in Guernsey.

If the Guarantor becomes obliged in its capacity as guarantor of the Issuer to make principal and / or interest repayments to Bondholders, such repayments would not be subject to any withholding tax in Guernsey.

#### *Guernsey Bondholders*

Guernsey resident Bondholders will generally be liable to Guernsey income tax on the amount of any interest received in respect of the Bonds, though the treatment will depend on the specific circumstances of the Bondholders.

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration, and no stamp duty is chargeable in Guernsey.

## **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, 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. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) 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 Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, 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 Bonds, such withholding would not apply prior to 1 January 2019 and Bonds issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. 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 Issuer). However, if additional bonds (as described under “Terms and Conditions of the Bonds —Further Issues”) that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Bonds, including the Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Bondholders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

## **The proposed financial transactions tax**

The European Commission has published a proposal for a Directive for a common financial transaction tax (“FTT”) in certain participating Member States.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

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## **Description of the Issuer**

## DESCRIPTION OF THE ISSUER

This Section sets out information about the Issuer.

### Information about the Issuer

The Issuer was incorporated and registered in England and Wales on 9 June 2014 under the Companies Act 2006 as a public limited company with registered number 09077893 under the name of Burford Capital PLC. The principal legislation under which the Issuer operates is the Companies Act 2006.

The Issuer's registered office and principal place of business is 24 Cornhill, London EC3V 3ND and its telephone number is +44(0) 845 077 5547. The total allotted, issued and fully paid share capital of the Issuer is £7,050,000 divided into 7,050,000 ordinary shares of £1 each, all of which are held by Burford Capital (UK) Limited, which is an indirectly wholly-owned subsidiary of the Guarantor.

### Principal activities

The Issuer's objects and purposes are unrestricted. The Issuer is organised as a special purpose company. The Issuer was established for the purposes of issuing publicly traded debt and lending the net proceeds thereof (directly or indirectly) in the form of debt or equity to one or more members of the Group.

The Issuer's only material assets are proceeds from issuances of debt which are made available by the Issuer to other subsidiaries within the Group to be used for general corporate purposes. Therefore, the Issuer is dependent on other subsidiaries within the Group to satisfy its obligations in full and on a timely basis.

Since its incorporation, the Issuer has not engaged in material activities other than those incidental to its registration as a public limited company under the Companies Act 2006 and those related to the issue of the Bonds, the issue of the 6.125 per cent guaranteed bonds due 2024 in 2016, the issue of the 6.50 per cent. guaranteed bonds due 2022 in 2014 and the loan of the proceeds of such issue to other members of the Group. The Issuer has no employees.

### Directors and Secretary

The Directors of the Issuer are:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Craig Arnott	50	Director
Leslie Paster	51	Director
Hayley Leake	34	Director

The company secretary of the Issuer is Hayley Leake.

The business address of each of the above persons is 24 Cornhill, London EC3V 3ND.

There are no potential conflicts of interest between the private interests or other duties to third parties of the directors of the Issuer and their duties to the Issuer.

### Corporate Governance

The Issuer is not a company with a primary equity listing and accordingly is not required to comply with the U.K.'s corporate governance standards. Instead, as the Issuer is a wholly-owned subsidiary of

Burford Capital (UK) Limited, which itself is an indirectly wholly-owned subsidiary of the Guarantor, it adheres to the corporate governance policies applied by the Guarantor to all of its subsidiaries.

#### **Use of Proceeds**

The net proceeds from the issue of the Bonds (after deduction of expenses incurred in connection with the issue) will be made available by the Issuer to one or more members of the Group to enable the Group to further pursue its general corporate purposes.

#### **Financial Information**

The financial year of the Issuer ends on 31 December in each year. The Prospectus incorporates by reference the Issuer's audited financial statements for the financial years ended 31 December 2015 and 31 December 2016.

Reports and accounts published by the Issuer will, when published, be available for inspection during normal office hours at its business address set out above and within the "Retail Bonds" section of the Group's website.

The Issuer has appointed Ernst & Young LLP of 25 Churchill Place, Canary Wharf, London, E14 R5B, as its auditors. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales.

#### **Recent Developments**

There have been no recent events particular to the Issuer that are, to a material extent, relevant to the evaluation of the Issuer's solvency.

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## **Description of the Guarantor and the Group**

## DESCRIPTION OF THE GUARANTOR AND THE GROUP

This Section sets out information about the Guarantor and the Group.

### Information on the Guarantor and the Group

The Guarantor's legal and commercial name is Burford Capital Limited. The Guarantor is a company limited by shares incorporated and registered in Guernsey under the Companies (Guernsey) Law 2008 with registered number 50877. The principal legislation under which the Guarantor operates is the Companies (Guernsey) Law 2008. The Guarantor's objects are unrestricted.

The Guarantor's registered office and principal place of business is Regency Court, Glatigny Esplanade, St Peter Port, Guernsey GY1 1WW and its telephone number is + 44 (0) 845 077 5547.

As of the date of this Prospectus, the total allotted, issued and fully paid share capital of the Guarantor is \$351,249,000 divided into 208,237,979 ordinary shares of nil par value in issue.

The Guarantor is the ultimate holding company of the Group and its only assets are its shares in certain subsidiaries within the Group. The Guarantor is responsible for the overall business strategy and performance of the Group.

### Introduction

The Group is a leading global finance firm focused on law. The Group's businesses include litigation finance and risk management, investment management, asset recovery and a wide range of legal finance and advisory activities. The Group's equity and debt securities are publicly traded on the London Stock Exchange and the Group works with lawyers and clients around the world from their principal offices in New York, London and Chicago. The Group generated \$163 million in income in the year ended 31 December 2016 and had \$596 million in net assets on that date.

The Group has approximately 80 staff located in the U.S. (New York and Chicago) and the U.K. (London). The Group's team is multi-disciplinary and includes a number of senior finance and investment professionals, but is notable for those staff members with corporate litigation experience bringing to bear more than 200 years of collective experience.

The Group pioneered the institutionalised litigation finance business in the U.S. and in the international arbitration area. While other market participants had provided litigation finance before the Group's inception, the Group was the first to create an integrated firm combining substantial capital with significant dedicated and experienced resources. The Group has subsequently expanded into the domestic U.K. market and also provides litigation finance in other countries from its U.S. and U.K. offices. Since the Group's formation in 2009, litigation finance has generated substantial interest and attention from the legal community worldwide. That has led to increased demand for litigation financing solutions.

Between its inception in September 2009 and December 2016, 51 investments by the Group (not including investments made by Gerchen Keller) had generated \$522 million in gross investment recoveries.<sup>1</sup> In 2016, the Group committed \$378 million of new capital to litigation finance investments, an 83 per cent. increase on 2015, when \$206 million was invested.

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<sup>1</sup> The Group consistently uses concluded investments and investment recoveries as terms to refer to those investments where there is no longer any litigation risk remaining. The Group uses the terms to encompass: (i) entirely concluded investments where the Group has received all proceeds to which it is entitled (net of any entirely concluded investment losses); (ii) the portion of investments where the

The Group's investment portfolio continues to develop and mature. Without including the acquisition of Gerchen Keller, legacy Burford commitments to investments since inception are now in excess of \$1 billion. If Gerchen Keller's figures are included, legacy commitments to investments would exceed \$2 billion. At 31 December 2016, the combined Group had approximately \$1.4 billion in current legal finance investments and commitments. The combined Group has pre-settlement recoveries exceeding \$500 million and post-settlement recoveries exceeding \$400 million.

In 2016, the Group generated \$216 million of cash from its litigation investment portfolio, an increase of 48 per cent. over 2015's \$146 million. The Group's outstanding portfolio receivables, being amounts due to the Group over time as to which there is no further litigation risk, stood at \$39.4 million. While concluded matters often produce cash returns rapidly, some concluded matters are still in the process of being monetised.

In the year ended 31 December 2016, the Group reported a 75 per cent. increase in net profit after tax to \$115.1 million (excluding acquisition-related charges) (2015: \$65.7 million).

### **Organisational structure**

The Group operates through a series of wholly-owned, consolidated subsidiaries of the Guarantor. The Group's ultimate parent is the Guarantor, which is a Guernsey company traded on the Alternative Investment Market ("AIM") of the London Stock Exchange.

Burford Capital (UK) Limited is a private limited company incorporated in England and Wales. It is a wholly-owned subsidiary of Burford Capital Holdings (UK) Limited, which is the parent of the entire Group's operating businesses and a wholly-owned subsidiary of the Guarantor. Burford Capital Holdings (UK) Limited conducts its business through the following (direct and indirect) wholly-owned subsidiaries:

- The Issuer, a special purpose company established to raise money for use by the Group;
- Burford Capital (UK) Limited, the Group's U.K.-based operating entity that employs all of the Group's U.K. staff, provides U.K. litigation investment services to other Group entities, corporate intelligence and judgment enforcement services and operates the Group's litigation expenses insurance business. This entity is regulated by the U.K.'s Financial Conduct Authority ("FCA") as an insurance intermediary;
- GKC Holdings, LLC, a Delaware subsidiary acquired in December 2016 that is the parent company of Burford Capital Investment Management LLC (formerly known as Gerchen Keller Capital, LLC);

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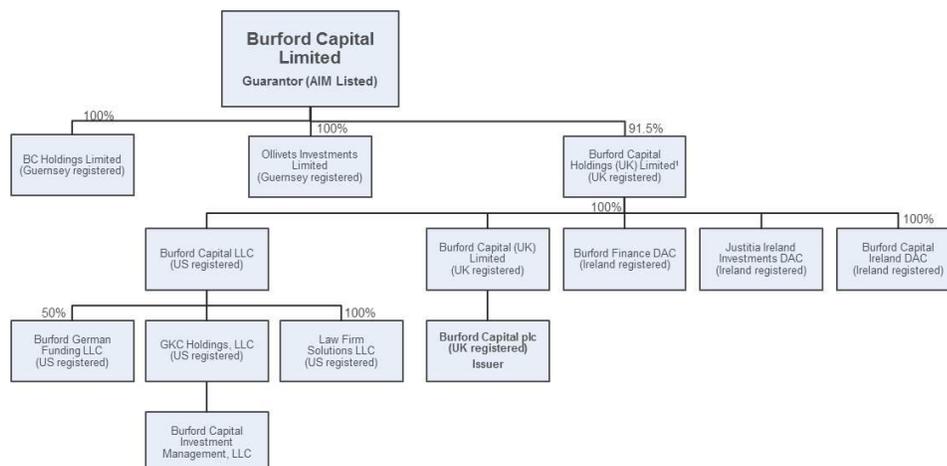
Group has received some proceeds (for example, from a settlement with one party in a multi-party case) but where the investment is continuing with the possibility of receiving additional proceeds; and (iii) investments where the underlying litigation has been resolved and there is a promise to pay proceeds in the future (for example, in a settlement that is to be paid over time) and there is no longer any litigation risk involved in the investment. When the Group expresses returns, the Group does so assuming all investment recoveries are paid currently, discounting back future payments as appropriate. The Group does not include wins or other successes where there remains litigation risk in the definition of "investment recoveries". The Group views matters as concluded when there is no longer litigation risk associated with their outcome and when the Group's entitlement is crystallised or well-defined. While concluded matters often produce cash returns rapidly, some concluded matters are still in the process of being monetised.

- Justitia Ireland Investments DAC, an Irish subsidiary that holds certain of the Group’s investments;
- Burford Finance DAC, an Irish subsidiary that was established to provide group and third party financing; and
- Burford Capital LLC, the Group’s U.S.-based operating entity that employs all of the Group’s U.S. staff and provides investment advisory services to other Group entities. This entity uses wholly-owned Delaware-incorporated subsidiaries to make U.S. litigation investments. This entity also owns Burford Lending LLC and its subsidiaries (together, the “**Excluded Subsidiaries**”) which operate a separate lending business focused on small and mid-sized U.S. law firms.

All of the other direct subsidiaries of the Guarantor are non-operating wholly-owned special purpose entities that house investments made by the Group. The Issuer may be moved within the corporate structure of the Group if this may provide efficiency savings or other benefits to the Group. In such circumstances, the Issuer would remain an indirect wholly-owned subsidiary of the Guarantor.

The Group also makes investments through joint venture companies that are not subsidiaries and are not consolidated.

### Group Structure Chart



1. Owned 8.5% by Olivets

### History

The Guarantor was incorporated in Guernsey in September 2009. Initially, it was established as a registered closed-ended collective investment scheme. In October 2009 the Guarantor’s ordinary shares commenced trading on the London Stock Exchange’s AIM. The Guarantor made a further placing of shares in December 2010. Through its two share issues, the Guarantor has raised \$303.2 million in equity capital.

In February 2012, the Guarantor completed its acquisition of Firstassist Legal Expenses Insurance, a leading provider of litigation expenses insurance in the U.K. that issues insurance policies on behalf of a subsidiary of the Munich Re Group. Following certain unfavourable changes in regulations, the Group no longer issues new insurance policies and the Group has terminated its arrangement with the Munich Re Group. It is expected that policies already issued will produce income for the Group for several years in the future.

In late 2012, the Guarantor altered its corporate structure by deregistering its status as a registered closed-ended collective investment scheme and reorganising to implement a new group structure incorporating certain of the Guarantor’s wholly-owned subsidiaries (the “**2012 Reorganisation**”). In connection with the 2012 Reorganisation, the Guarantor acquired its investment adviser, Burford Group LLC, through a cashless merger.

In November 2013, to enhance its liquidity and optimise its balance sheet, the Group issued contingent preference shares together with units representing such preference shares, which units are listed on The International Stock Exchange through BC Capital Limited, a wholly-owned subsidiary. Prior to the fifth anniversary of issue, the Group had the right to make capital calls on the preference shares up to \$40 million in aggregate. On 30 June 2016, all the outstanding preference shares were repurchased and cancelled, without the callable capital having ever been called.

In December 2016, the Group completed its acquisition of GKC Holdings, LLC, the parent of Chicago-based Gerchen Keller, a major and rapidly growing law-focused investment manager registered as an investment adviser with the U.S. Securities and Exchange Commission. Refer to the “Recent Developments” section for further information on this acquisition.

### **Financial summary**

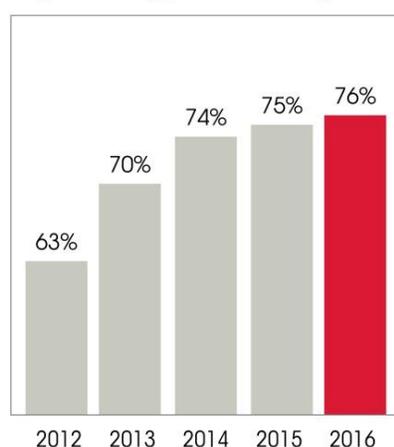
The following financial summary is derived from the Group’s audited consolidated financial statements.

<b>(U.S.\$’000)</b>	<b>2016</b>	<b>2015</b>	<b>% change</b>
Litigation investment income	140,187	87,877	60%
Insurance income	12,923	12,763	1%
New initiatives income	8,849	2,510	253%
Investment management income	647	-	
Other income	797	(143)	
<b>Total income</b>	<b>163,403</b>	<b>103,007</b>	<b>59%</b>
Operating expenses – litigation investment	(26,017)	(15,654)	
Operating expenses – insurance	(1,696)	(2,577)	
Operating expenses – new initiatives	(4,895)	(2,797)	
Operating expenses – investment management	(443)	-	
Operating expenses – corporate	(5,975)	(4,812)	
Amortisation of intangible asset arising on acquisition	(271)	-	
<b>Operating profit</b>	<b>124,106</b>	<b>77,167</b>	<b>61%</b>
Finance costs	<b>(14,108)</b>	(9,290)	
Profit before tax and acquisition costs	<b>109,998</b>	67,877	62%
Non-recurring acquisition costs	(5,945)	-	

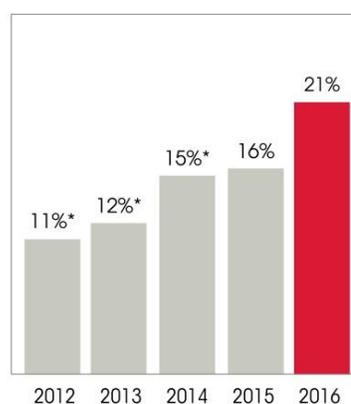
(U.S.\$'000)	2016	2015	% change
Profit for the year before taxation	104,053	67,877	
Taxation	4,817	(2,204)	
<b>Profit for the year after taxation</b>	<b>108,870</b>	65,673	75%

The Group's operating profit margin has grown steadily, from 63% in the year ended 31 December 2012 to 76% in the year ended 31 December 2016. An explanation of how "operating profit margin" and "return on equity" are calculated is included in Section 12 (*Alternative Performance Measures*).

### Operating profit margin



### Return on equity\*



\*The figures for return on equity for 2012, 2013 and 2014 exclude the impacts of the Firstassist acquisition (the amortisation of embedded value intangible asset arising on Burford UK acquisition and the 2012 non-recurring Firstassist acquisition impact charges) and the 2012 Reorganisation (the non-cash, non-NAV charge associated with the Reorganisation), as applicable.

## Industry

Litigation finance is a specialty finance business focused on litigation and arbitration. It encompasses the provision of capital and other financial services along with risk transfer solutions and is premised on the status of litigation claims as assets – specifically *choses in action*. Litigation finance is generally regarded as a high return, uncorrelated asset class.

The potential for high returns is, in part, due to the asymmetric nature of litigation finance. Litigation has three possible outcomes: a win, a loss or settlement. The potential gains from winning a case are damages, which can be many times the amount spent pursuing the case. Losing a case, on the other hand, usually just results in a loss of the sums invested in pursuing the case. This asymmetry is beneficial for the Group and is inherently capital protective. Moreover, settlements (which form the majority of litigation outcomes) also tend to result in a positive outcome for the Group.

Unlike many types of private equity and venture capital investment, the litigation system itself provides an exit in litigation investments, simply because the adjudicative system ultimately forces matters to come to an end. Those exits are a function of each adjudicative system's timing and process, and as such they are entirely unrelated to economic cycles or activity. The litigation finance industry is still experiencing a considerable level of growth around the world. From being largely unknown when the

Group was founded in 2009, litigation finance is an ever-growing focus of attention for law firms and their clients.

Many law firm clients are unwilling to embark upon large and uncertain levels of expenditure to pursue litigation claims. There are several reasons for this. Litigation costs have risen over the past decade while corporate budget tolerance for high and unpredictable spending has declined. Moreover, spending on litigation defence has also risen, especially in certain industries such as financial services, leaving clients particularly disinclined to commit capital to pursue claims on top of the spending already occurring on defence matters. Finally, the accounting treatment of pursuing litigation claims is unfavourable for many corporate clients because the costs of doing so are treated as current expenses and pending claims do not give rise to balance sheet assets. All of these factors lead many clients to seek alternatives to conventional law firm billings for the pursuit of litigation.

In addition to client disenchantment with the costs of litigation, businesses are also recognising that their ownership of significant litigation claims proceeding through the litigation process may represent meaningful contingent asset value that is capable of being monetised without waiting for resolution and payment. Businesses factor receivables and securitise future cash flows, and pending litigation claims may be treated in a similar way.

Law firms have varying but generally low tolerance for assuming their clients' litigation risk. While there are exceptions, law firms are generally equity partnerships, in which partners earn annual compensation based on the firm's performance and do not retain their equity interests following retirement. Moreover, law firms tend not to take on external equity or term debt. Thus, they tend to run very simple balance sheets, and law firm partners are sensitive to reducing their cash compensation in exchange for longer-term potential rewards because partners who retire while those rewards are being created not only do not share in them but also suffer reductions in current compensation while at-risk matters run through the litigation process. Thus, law firms tend not to be complete solutions for their clients' financial preferences and just as in many other lines of business, there is demand for specialised external financial providers.

The litigation market is significant in size. While global statistics are not available, in the U.S. alone, there are more than one million lawyers and there are millions of claims brought annually. Moreover, according to a survey carried out by the Group, 75% of U.S. lawyers believe that litigation finance will grow in the next five years. Of the U.S. lawyers involved in litigation, tens of billions of U.S. dollars each year are believed to be generated in legal fees alone, to say nothing of the recoveries made in litigation matters.

Litigation is not short-term in nature. A typical significant litigation matter takes several years from inception to initial adjudication, and still more time if appeals are available and taken. While most litigation matters settle before their initial adjudication, they tend to settle later rather than earlier in the process, holding average duration of a litigation investment at two years or more.

There is no reason preventing the Group from offering litigation finance to defendants in a litigation matter. The Group is amenable to financing defendants and has done so in the past. However, a significant majority of the Group's litigation finance business presently focuses on claims and claimants.

### **Strategy**

The Group believes that litigation finance is an attractive and rapidly growing asset class, with the potential for uncorrelated high returns provided by investments with automatic exits. The Group's investment experience and returns to date support this belief.

The Group's strategy is to continuously meet the demand for litigation finance solutions at a variety of recourse, risk and cost of capital levels. The Group believes there are opportunities both to continue to expand its existing lines of business and also launch new lines of business in adjacent areas. The Group has expanded its offerings to include products such as portfolio financing, judgment enforcement and recourse lines of credit. Further, the Group believes that the acquisition of Gerchen Keller will allow it to benefit from increased revenue diversification through the contribution of recurring private capital manager fees alongside investment income. It is expected that this dual approach will permit the Group to engage in a broader range of investment strategies, accepting investment opportunities which may previously have been declined.

Internationally, there is growing demand for litigation finance in a number of new markets, ranging from Latin America and the Caribbean to Europe and Asia, just as there is demand for an expanded product offering in established markets such as the U.S. and the U.K.

A fundamental tenet of the Group's strategy is portfolio construction and diversification. Litigation is inherently unpredictable, and every litigation matter carries the risk of complete loss. This is simply the nature of the adversary system. Therefore, the Group is focused on constructing a large and well-diversified portfolio that can bear the inevitable risk of loss on some litigation matters. The Group believes that its acquisition of Gerchen Keller will enable the enlarged Group to further capture these benefits of scale and provide expanded geographic coverage in the U.S. and globally.

A further facet of the Group's strategy is to encourage a secondary market in its investments. The Group believes that a secondary market may assist it in risk and liquidity management as well as enable it to leverage its expertise in originating investments. It can then lock in the gain from such investments by selling an interest in them. A secondary market could also assist the Group in closing larger investments if it means it can be reasonably confident that it could reduce its own risk to a desired level following closing. As at the date of this Prospectus, the Group has sold a 10 per cent. interest in its Petersen investment, relating to litigation between two Spanish entities and Argentina, for \$40 million. The Group's cash investment is currently \$18 million meaning it made a profit of approximately \$22 million, whilst retaining 90% of the interest.

The Group approaches litigation investing as investing first, and litigation second, as a focus of its investing activity. To that end, the Group's investing approach is multi-disciplinary, incorporating financial and credit analysis alongside litigation evaluation.

A core part of the Group's strategy is to maintain its own highly experienced multi-disciplinary team. The Group believes having its own significant team is both a competitive advantage, in that it enables more rapid and consistent responses to investment opportunities, and also provides consistency and quality in investment decisions. As part of the acquisition of Gerchen Keller, the Group will inherit a strong team of experienced litigation finance professionals, which will further assist the Group in carrying out its strategy.

A further aspect of the Group's strategy is to increase its scale and diversify its revenue streams. The Group expects the acquisition of Gerchen Keller to assist in these aims, as Gerchen Keller focuses almost exclusively on its private funds and does not typically invest directly on its own balance sheet. The revenues it generates are predominantly from the receipt of management and performance fees from its funds, which is a source of revenue the Group has not previously exploited.

### **The Group's litigation investment business**

The Group makes many different types of investments, such as investing capital in single litigation matters at their outset, in portfolios of matters in various stages of the litigation process and in assets or

entities whose value is principally based on litigation outcomes. As the litigation finance market continues to develop and mature, the Group's business has evolved to be much more than simply funding legal fees in a single litigation matter.

The Group uses various investment structures, with capital invested entirely at closing or provided over time. The Group's capital can be used for many different purposes, ranging from paying litigation costs to providing risk transfer solutions for law firms and their clients and providing operating capital for businesses with material litigation assets. The Group engages in both recourse and non-recourse transactions. It seeks to generate overall high returns by creating a diversified portfolio of litigation risk, with different risk and return profiles. While the Group provides financing for the defence of litigation, the demand for such financing is significantly less than for claimant financing.

There is a market for basic litigation funding – a transaction in which the Group pays some or all of the costs of a claimant bringing a litigation matter using an hourly fee law firm. Typically, the Group engages in such transactions using a non-recourse investment or a structure that provides the Group's capital back plus an initial priority return (often increasing over time), followed by an entitlement to some portion of the net recovery. However, the Group has moved significantly towards transactions in which the risk of loss can be reduced, typically by using a portfolio or multi-case structure, but also through other structures such as interest-bearing recourse debt (sometimes with a premium based on net recoveries) or the purchase of equity or debt assets that underlie the relevant litigation or arbitration claims. This reduction in the risk of loss can allow a reduction in the risk premium the Group charges. The Group also offers a variety of other structures, such as recourse revolving lines of credit based on litigation-related assets.

The fundamental reason for this evolution is that the price the Group charges for its capital in single case non-recourse matters is relatively high, reflecting the binary risk of loss such investments present, and many counterparties are enthusiastic about the concept of litigation finance but not about the implied cost of capital. Litigants often tend to believe strongly in the merits of their own litigation position, and thus find it difficult to be dispassionate about the concept of the Group's need to price matters to overcome a certain level of aggregate losses. Nevertheless, there is substantial interest in the various propositions the Group can offer, and it continues to expand its offerings in response to market demand. Each year, the Group speaks to many law firms and corporate clients about litigation finance, and continues to build new relationships. The Group works with many of the world's largest law firms as well as a significant number of litigation boutiques, and regularly receives repeat business from the same law firm.

As a normal part of its business, the Group enters into investment agreements under which it makes continuing investments over time, whereas other agreements provide for the immediate funding of the total investment commitment. The terms of the former type of investment agreements vary widely. In some cases, the Group has broad discretion as to each incremental funding of a continuing investment, and in others, it has little discretion and would suffer punitive consequences were it to fail to provide incremental funding.

The timing and nature of the Group's returns are variable. There is frequently a linear process from investment to increases in unrealised value based on the progress of the litigation. Resolution of the litigation then creates a receivable leading to payment, sometimes in a non-cash form that takes further time to convert to cash. Many of the Group's investment structures include a time-based component so that delays in monetising litigation results, and in the Group receiving its entitlement, will result in the Group receiving incremental compensation.

The Group's status as a passive finance provider means that it generally has no ability to control or influence the litigation forming the basis of its investments. The Group's returns are set by the initial structuring of its investments. It is not uncommon for businesses to be able to extract better litigation settlements if they either contain a delayed payment provision or include non-cash assets as part of a settlement.

The Group follows a rigorous and detailed investment process that is conducted primarily in-house. During its diligence of potential investments, the Group considers the legal merits of claims using its substantial team of experienced lawyers and also considers a wide variety of financial factors, such as the ultimate defendant's ability to pay a judgment. The Group uses a collaborative, team-based approach to investment consideration and analysis to maximize the experienced perspectives brought to bear on potential investments.

When the Group first invests in a matter, it holds that investment at cost. As the matter progresses, developments in the litigation process (such as interlocutory rulings by the court or tribunal) may cause an adjustment in the fair value of the matter. While each matter is unique both in its transaction structure and the manner in which it progresses through the litigation process, the fair value is more likely to be adjusted based on guaranteed recoveries than contingent recoveries. So, for example, if the investment terms provide for a priority return of two times investment with a back end contingency of 25 per cent. of the recovered damages, the fair value of that matter would generally increase (if appropriate) by recognising some part of the priority return, and it would be less likely to assign some value to the back end 25 per cent. contingency before there is some merits adjudication of the matter. In the same way, the fair value of a matter for which progress is disappointing may be reduced. A secondary market transaction is a key indicator of fair value.

Once there is no longer any litigation risk on a matter, such as when there has been an agreed (but unpaid) settlement, the matter becomes a receivable. At that point, the Group records the estimated result (discounted appropriately), and thereafter recognises separately any further increments in value caused by the passage of time, such as from interest running on the entitlement. Although the receivable is expected to generate cash, many matters are likely to progress through the receivable stage for varying lengths of time before generating cash.

### ***The Group's current investment portfolio***

There are three fundamental data points for the Group's litigation finance business:

- The Group's performance across investments that have concluded
- The Group's presently outstanding litigation investment portfolio
- The Group's commitments to new investments

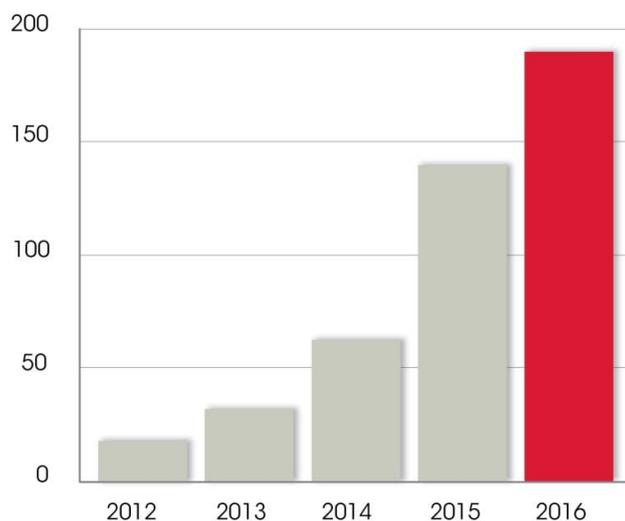
### ***Performance of concluded investments<sup>2</sup>***

In 2016, the Group saw increased growth of cash from investment recoveries, and indeed they are now at its highest ever level.

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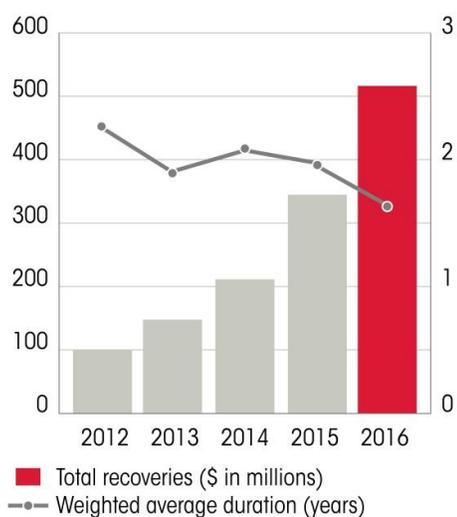
<sup>2</sup> For more information on the Group's use of the term "concluded investments", please see footnote 1 on page 56.

## Litigation investment cash receipts by year (\$ in millions)

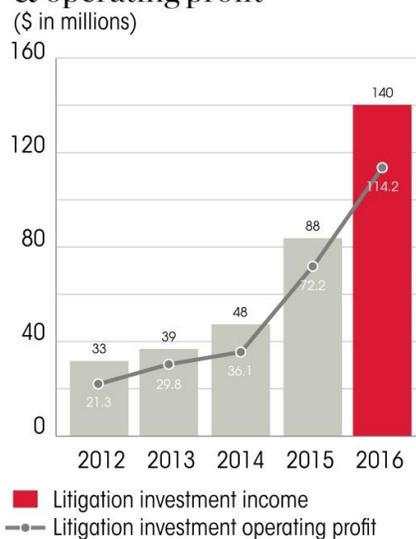


The weighted average duration of the concluded portfolio is approximately two years. This is a stable feature of the portfolio, as the weighted average duration has been between 1.6 and 2.3 years for the last five years, albeit with deviations from the mean depending on the progression of individual matters. The Group's litigation investment segment has seen a significant increase in income and operating profit<sup>3</sup>, with the former increasing by 59% from 31 December 2015 to 31 December 2016, and the latter increasing by 58% over the same period.

### Litigation investment recoveries & duration of concluded portfolio



### Litigation investment income & operating profit



<sup>3</sup> Litigation investment operating profit is shown in the Group's financial statements for the year ended 31 December 2016, on page 46 of the Group's 2016 Annual Report under the heading "Profit/(loss) for the year before taxation".

### *Current investment portfolio*

At the end of 2016, the Group had outstanding litigation investments at fair value of \$549 million (2015: \$320 million). The Group has a further \$290 million in undrawn commitments made to existing investments.

The Group counts each of its contractual relationships as an “investment”, although many such relationships are composed of multiple underlying litigation matters that are typically cross-collateralised rather than relying on the performance of a single matter. As a result, the Group has 64 “investments”, with an average commitment of \$13 million.

The Group’s current portfolio of investments is widely diversified across many metrics:

- Investments relate to litigation matters spread across more than 40 U.S. states and countries, in multiple arbitral institutions;
- The Group is presently working with approximately 50 different law firms;
- The claim types vary between commercial litigation and arbitration, with no particular concentration in any one area of law but with no personal, non-commercial claims or clients;
- Clients are located in every inhabited continent;
- There is no concentration among defendants/respondents in matters the Group finances for plaintiffs/claimants; and
- The Group is involved in every stage of claims, from claims where financing is provided at the outset of the matter to appeals to matters where final judgment has already been obtained.

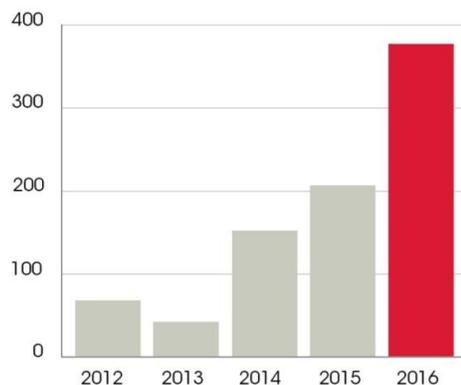
Litigation outcomes are inherently difficult to predict individually.

### *Commitments to new investments*

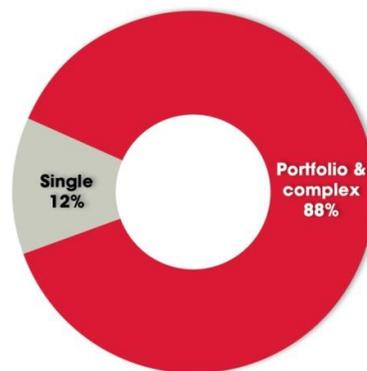
In 2016, the Group made more new litigation finance commitments than it has in any previous year – more than \$378 million across 30 investments, including further commitments to earlier investments, an increase of 83% over 2015, which was itself a 35% increase over 2014. However, these figures were buoyed by a \$100 million portfolio arrangement with a global law firm, meaning that this substantial increase may not prove to be part of a consistent trend.

The new investments varied in size from \$2 million to \$100 million, demonstrating the Group’s commitment to diversification of its portfolio.

**New litigation investment commitments by year**  
(\$ in millions)



**Composition of new commitments made in 2016**



### ***Geographic developments***

The bulk of the Group's business continues to be in its home markets of the U.S. and the U.K., where it has around 80 people in offices in New York, London and, following the Gerchen Keller acquisition, Chicago.

In 2016, responding to a combination of demand from Asian clients and government interest in litigation finance being available in Hong Kong and Singapore, the Group expanded its activities in Asia. Initially, the Group is focusing on financing litigation claims brought in connection with insolvency in Hong Kong, financing arbitration claims throughout the region and providing asset tracing and judgment enforcement services. The Group does not expect Asian litigation finance to make a material contribution to the Group's activities in the short term but views Asia as part of its long-term strategy. In October 2016, the Hong Kong Law Reform Commission published a report which called for the expansion of the use of litigation finance in Hong Kong. In the same vein, in November 2016, the Singapore parliament introduced legislation (now enacted) that would permit litigation finance in arbitration, and laid the groundwork for future expansions.

The Group has been involved in Latin America for several years, where its focus is not on domestic Latin American disputes but on matters with a more international orientation. Latin America has some ideal characteristics for litigation finance: the underlying civil law environment is unconcerned with issues around claim transfer and monetisation; there is a very large volume of litigation and routine recourse to the courts and arbitration to resolve disputes; and there is a strong demand for external capital and financial solutions due to the high cost of litigation.

In Continental Europe, the Group does not routinely provide financing for entirely domestic litigation but instead focuses on claim types that are more likely to have an international or multi-jurisdictional aspect.

There is interest and activity in litigation finance in many common law jurisdictions smaller than the U.S. and the U.K.. The Group had opportunities to be involved in numerous matters around the world in 2015, from Australia to Canada to the Caribbean. The Group is generally able to manage such matters from its existing bases in London, New York and Chicago, and has lawyers on its staff trained in multiple common law jurisdictions.

### ***Competition***

The competitive environment in litigation finance is fragmented. There are other specialty litigation finance providers with available capital. As transaction sizes increase, however, hedge funds and other multi-strategy investment vehicles become more prevalent, although their general lack of specialised in-house diligence capability tends to put them at a disadvantage in transactions when speed or efficiency are important considerations.

### **The Group's insurance business**

The Group entered the litigation expenses insurance business through its February 2012 acquisition of Firstassist, a long-standing U.K.-based provider of such insurance. Firstassist rebranded as Burford in early 2013. However, largely as a result of regulatory changes, the Group has stopped writing new insurance policies and, as of 31 December 2016, terminated its arrangement with Munich Re. Whilst the insurance business is being wound-down, the performance of Burford Capital (UK) Limited's existing book of business has been strong, and costs have been carefully managed so as to maintain the profitability of this area for the Group.

The Group does not recognise revenue from insurance matters until it earns a premium, which generally occurs only at the successful conclusion of a litigation case (either through settlement or adjudication). As a result, Burford Capital (UK) Limited is now generating profits from business generally written several years ago.

Whilst there is still a demand for insurance products in litigation, the market is clearly materially smaller than it was before the 2013 regulatory changes. In 2016, the income contribution from the insurance business rose slightly from \$12.8 million in 2015 to \$12.9 million in 2016. Although new policies are not being written, it is still expected that existing policies will continue to generate revenue for the Group.

### **New initiatives**

The Group presently includes one business within its new initiatives segment, international judgment enforcement. The Group is considering adding a second, that of investing in law firms themselves (which it is permitted to do pursuant to its licence from the Solicitors Regulation Authority). In 2016, the Group transferred law firm lending from its new initiatives segment into its general litigation business.

In 2016, the new initiatives generated \$8.8 million in income (compared with \$2.5 million in 2015) and closed the year with \$2.3 million of investments on the balance sheet. The operating expenses relating to this segment in 2016 were \$4.9 million.

### ***Judgment enforcement***

Once a matter has been litigated through to a final judgment, and all appeals have been exhausted, that judgment is enforceable as a debt obligation of the judgment debtor. While many tenacious litigants do pay their judgments when they ultimately lose a matter, some do not, and further effort is needed to collect the judgment debt.

The Group's judgment enforcement business provides expert assistance to lawyers and clients around global asset location and enforcement. It provides services on a fee-for-service basis or in a variety of contingent ways that permit judgment creditors to continue to enforce their rights without incurring a continuing cash expense to do so. In 2016, the Group took its first step towards acting as a law firm in its own right, using the licence it had obtained from the Solicitors Regulation Authority in 2015. It did this in connection with the judgment enforcement business, by hiring an experienced solicitor with experience in international dispute matters.

### **Law firm lending**

Another initiative in which the Group is engaged is the provision of revolving credit lending to law firms that tend to work on contingency or alternative fee arrangements. Contingent fee law firms face some particular challenges. First, just as the Group's returns take time to arrive, so too do the payments for cases to these firms, and they are thus unable to finance growth themselves while awaiting those returns. Second, the U.S. tax treatment of litigation is peculiar in many respects, and law firms that advance client expenses are generally not permitted to deduct those expenses whereas they can deduct the interest expense of having a third party finance those expenses. The Group has de-emphasised this business and has moved it from its new initiatives segment into the general litigation segment for financial reporting purposes.

## **Law firm investing**

Law firms have historically not had access to external equity capital (or indeed structural debt beyond bank revolving credit). In the U.K., the Group has been granted a licence by the Solicitors Regulation Authority to own and operate an Alternative Business Structure – in short, a law firm with external ownership. Through this vehicle, the Group would be able to both operate its own law firm and take equity interests in other law firms. This is an early step for the Group to expand the ways in which it can provide capital to law firms and the benefits of external capital to clients.

## **Corporate and financial matters**

### ***Risk management***

The Group has historically managed risk in a number of ways.

In the investment portfolio, the Group employs a disciplined, comprehensive, multi-stage process to evaluate potential investments and obtain the benefit of the judgment and experience of the Group's highly qualified team of experienced lawyers and finance professionals. The Group also uses an internal, proprietary risk tool to assess risk during the investment process and regularly after the investment has been made, and engages in substantial portfolio management activities using a risk-based approach. The Group believes that its approach to risk management has enabled it to improve materially on investment results in challenged situations, where a more conventional approach would likely have yielded diminished performance. The Group also regularly considers business and systemic risk in its business units and overall.

### ***Capital structure and cash management***

The Group's capital structure comprises a single class of equity, together with the 6.125 per cent. guaranteed bonds due 2024 issued by the Issuer in 2016, 6.50 per cent. guaranteed bonds due 2022 issued by the Issuer in 2014 and the Bonds. The Group had a callable preferred share issue in place, in the event it needed incremental capital, but redeemed those shares in June 2016 without ever calling capital under that instrument.

The Group manages surplus cash conservatively, in short duration fixed income investments, and outsources its administration in an arrangement with Bank of America Merrill Lynch.

### ***Foreign exchange hedging***

The Group is a U.S. dollar reporting business and the majority of its operations occur in U.S. dollar-denominated activities. The Group's non-U.S. dollar cash flows are too unpredictable in amount and timing to be capable of efficient hedging, and the Group has generally not hedged its foreign exchange exposures, which largely are accounted for "below the line" as non-cash adjustments to comprehensive income. In 2015, the Group engaged in some sterling hedging to reduce the potential volatility of the "above the line" foreign exchange exposure to which the business was subject during the year, and may explore hedging strategies in the future when circumstances warrant.

## **Recent Developments**

In December 2016, the Guarantor entered into an agreement to acquire GKC Holdings, LLC, for a consideration of \$160 million in a combination of cash, ordinary shares in the Guarantor and loan notes (the "**Acquisition**"). There is also a further potential payment of \$15 million in performance-based share consideration.

Gerchen Keller is a law-focused investment manager registered as an investment adviser with the U.S. Securities and Exchange Commission, and has approximately \$1.3 billion of assets under management.

The key strategic reasons behind the Acquisition were to: (1) increase the Group’s scale, to ensure it is sufficient to meet all the needs of its clients in a rapidly growing market; and (2) add an investment management business to its structure to enable it to expand the diversity of its capital offerings to clients (and its own income streams). In addition, a constraint on the Group’s growth had been the availability of experienced people. As part of the Acquisition, Burford will inherit a strong team of experienced litigation finance professionals, several of whom have joined the Group’s management team and investment committee. The Acquisition was accretive to earnings per share for the Group.

The Group believes that Gerchen Keller’s business is complementary to its existing operations. This is because Gerchen Keller operates almost exclusively through its private funds and does not typically invest directly on its own balance sheet. Its revenues are predominantly from the receipt of management and performance fees from its funds, which is in contrast to the rest of the Group, which profits directly from investments it makes. This is beneficial for the Group as it expects to diversify its revenue sources through the contribution of recurring private capital manager fees alongside investment income. Moreover, Gerchen Keller is not paid any performance fees until fund investors have had their entire capital investment repaid. The impact of this structure is to delay the receipt of performance fees, and thus while many of Gerchen Keller’s investments have already successfully and profitably concluded, leading to a steadily growing expectation of performance fees, none of those performance fees have yet been paid, meaning that the Group will receive all of the Gerchen Keller performance fees, even those relating to investments that have already concluded.

The Group operates the combined business on an integrated basis under the Burford brand. The Gerchen Keller team has joined Burford and a consistent approach to due diligence and investment management are being applied. Adam Gerchen, the CEO of Gerchen Keller, has joined Burford’s internal management committee.

**Directors, senior management and corporate governance**

*Directors*

The Guarantor is managed by its Board of Directors. All four Directors are independent non-executives, and all four have been Directors since the Guarantor’s inception. The following table lists the names, positions and ages of the Directors:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Sir Peter Middleton GCB .....	83	Chairman
Hugh Steven Wilson .....	69	Vice Chairman
David Charles Lowe OBE.....	80	Non-executive Director
Charles Nigel Kennedy Parkinson.....	63	Non-executive Director

The business address of each of the above is Regency Court, Gategny Esplanade, St Peter Port, Guernsey GY1 1WW.

There are no potential conflicts of interest between duties to the Guarantor of its Directors and their private interests and other duties.

**Sir Peter Middleton GCB, *Chairman***

Sir Peter Middleton was U.K. Chairman of Marsh & McLennan, Chairman of Mercer Ltd, Chairman of the Centre for Effective Dispute Resolution, Chairman of Camelot Group PLC, a Director, Chairman and Deputy Chairman of United Utilities and a board member of OJSC Mobile Telesystems, Bass PLC and General Accident (later CGU). Sir Peter became Group Chairman of Barclays Bank PLC in April 1999 and retired in August 2004, having joined Barclays in 1991 as Group Deputy Chairman and Executive Chairman of BZW. He was also President of the British Bankers Association and a member of the National Institute for Economic Research. Sir Peter spent nearly 30 years at HM Treasury and was Permanent Secretary from 1983 to 1991. In 2016, he was appointed Chairman of The Resort Group PLC.

**Hugh Steven Wilson, *Vice Chairman***

Mr Wilson is a Senior Advisor at Tennenbaum Capital Partners, a U.S.-based private investment business, and has served as the Chief Executive Officer of many investment companies within the Tennenbaum Capital Group. Prior to joining Tennenbaum Capital Partners, Mr Wilson was a senior partner with Latham & Watkins where he was Global Co-Chair of the Mergers and Acquisitions Practice Group and former chairman of both the National Litigation Department and the National Mergers and Acquisitions Litigation Practice Group. In addition to his roles at Burford and Tennenbaum Capital Partners, Mr Wilson also serves as Chairman of International Wire Group, Inc. and as Chairman of Great Elm Capital Group Inc.

**David Lowe OBE, *Director***

Mr Lowe was Senior Jurat of the Royal Court of Guernsey until 2011. He was elected a Jurat in 1993. Previously, Mr Lowe served as Chief Executive of Bucktrout & Company Limited. He is a former Director of Lazard and Barclays Capital in Guernsey and is a Director of Bailiwick Investments Limited which is quoted on The International Stock Exchange. Mr Lowe was awarded the OBE for his services to the Royal Court of Guernsey and is a fellow of the Royal Entomological Society.

**Charles Parkinson, *Director***

Mr Parkinson was the Minister of Treasury and Resources in the States of Guernsey from 2008 to 2012, and prior to that the Deputy Minister of Treasury and Resources. He is a Director of Bailiwick Investments Limited which is quoted on The International Stock Exchange, and a Director of two private Guernsey investment companies, namely Mapeley Limited (owned by the Fortress Investment Group) and Aqua Resources Fund Limited. Mr Parkinson is a past Partner and Director of PKF Guernsey, accountants and fiduciaries. Mr Parkinson is also a qualified barrister and a Member of the Institute of Chartered Accountants in England and Wales.

***Management team***

The Group conducts its operations through various operating subsidiaries that employ members of the management team, depending on their geographic location and scope of responsibility. None of the Group’s management team is employed by, or is an officer or director of, the Guarantor. The current members of the management team are:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Christopher Bogart .....	51	Chief Executive Officer
Jonathan Molot .....	50	Chief Investment Officer

Adam Gerchen.....	35	President
Ernest Getto.....	72	Managing Director
Aviva Will.....	48	Managing Director
Peter Benzian .....	74	Managing Director
Ross Clark.....	48	Chief Risk Officer
Elizabeth O’Connell .....	50	Managing Director
Philip Braverman.....	60	Global Head of Tax & Structuring
Travis Lenkner.....	37	Managing Director
Ashley Keller.....	38	Managing Director
Craig Amott.....	50	Managing Director

The business address for the U.K. based members of the management team is 24 Cornhill, London EC3V 3ND. The business address for the U.S. based members of the management team is 292 Madison Avenue, New York, NY, 10017.

There are no potential conflicts of interest between duties to the Group of its management team and their private interests and other duties.

**Christopher Bogart, Chief Executive Officer**

Mr. Bogart co-founded the Group. He was the Executive Vice President & General Counsel of Time Warner Inc. and a litigator at New York’s Cravath, Swaine & Moore. Before founding the Group he held a variety of executive management roles, including as the Chief Executive of Time Warner Cable Ventures and the Chief Executive of Churchill Ventures Limited.

**Jonathan Molot, Chief Investment Officer**

Mr. Molot is a Professor of Law at Georgetown University Law Center and an experienced litigator, an expert in the litigation finance field and a former senior U.S. government official. He clerked for Justice Breyer of the U.S. Supreme Court and practiced with Cleary Gottlieb and Kellogg, Huber.

**Adam Gerchen, President**

Mr. Gerchen co-founded and was CEO of Gerchen Keller prior to its acquisition by the Guarantor. Before co-founding Gerchen Keller, he was a portfolio manager at Alyeska Investment Group and has also worked as an investment banker at Goldman, Sachs & Company. He graduated Phi Beta Kappa and magna cum laude from Brown University and received his JD from Harvard Law School.

**Ernest Getto, Managing Director**

Mr. Getto was a senior partner and Global Chair of the Litigation Department at Latham & Watkins, one of the world’s largest law firms, and is a Fellow of the American College of Trial Lawyers.

**Aviva Will, Managing Director**

Ms. Will was a senior litigation manager and Assistant General Counsel at Time Warner Inc. and a litigator at Cravath, Swaine & Moore.

**Peter Benzian, Managing Director**

Mr. Benzian was a senior partner at Latham & Watkins and Chairman of the firm's San Diego Litigation Department.

**Ross Clark, Chief Risk Officer**

Mr. Clark has spent more than twenty years at Burford UK and its predecessors following his studies during which he earned a law degree, an MBA and the Chartered Insurer designation.

**Elizabeth O'Connell CFA, Managing Director**

Ms. O'Connell was the Chief Financial Officer of Glenavy Capital LLC and Churchill Ventures Limited, and was a senior investment banker at Credit Suisse and Citigroup.

**Philip Braverman, Global Head of Tax & Structuring**

Mr. Braverman was Managing Director of Tax & Strategic Finance for The Depository Trust & Clearing Corporation. Prior to that, he held senior tax roles at Moody's Corporation, Bristol-Myers Squibb Company and Bestfoods, and was an associate at Proskauer Rose Goetz & Mendelsohn and Hughes Hubbard & Reed.

**Travis Lenkner, Managing Director**

Mr. Lenkner was a Managing Director at Gerchen Keller. Prior to joining Gerchen Keller, Mr. Lenkner served as a law clerk for Supreme Court Justice Anthony M. Kennedy, was a Senior Counsel at The Boeing Company and has been a litigation and appellate attorney in the New York and Washington offices of Gibson, Dunn & Crutcher LLP.

**Ashley Keller, Managing Director**

Mr. Keller co-founded Gerchen Keller Capital. Before co-founding Gerchen Keller, he was a law clerk for Justice Anthony M. Kennedy at the Supreme Court of the United States, a partner at Bartlit Beck Herman Palenchar & Scott LLP and has also worked as an analyst at Alyeska Investment Group.

**Craig Arnott, Managing Director**

Mr. Arnott was previously a barrister at Sixth Floor Selborne and Wentworth Chambers in Sydney and has over 20 years of experience in large and complex commercial litigation and advisory work. He was a Rhodes Scholar from Australia-at-Large, holds BCL and D.Phil degrees from the University of Oxford and graduated at the University of Queensland.

In addition to these members of management, the Group's team includes experienced lawyers and finance professionals drawn from major law firms, professional services firms and financial institutions such as Cravath, Swaine & Moore, Debevoise & Plimpton, Ernst & Young, Travelers Insurance, Freshfields Bruckhaus Deringer and American Express.

**Corporate governance**

The Directors recognise the high standards of corporate governance demanded of listed companies. The Company has adopted and complied with the Finance Sector Code of Corporate Governance published

by the Guernsey Financial Services Commission (the “Code”). The Code includes many of the principles contained in the UK Corporate Governance Code. While the Company is not required to comply with the Code, it has nevertheless elected to do so.

The Board holds a quarterly in-person meeting during which it reviews all aspects of the business’ strategy and performance. The Board reviews its performance and Director compensation annually and regularly discusses succession planning and management oversight. The Board meets in closed session without management present at each of its meetings. The Board also operates through three committees, Audit, Investment and Remuneration, all of which meet throughout the year as required. The Remuneration committee reviews and approves compensation for all senior staff. No members of management sit on the Board.

The Group is organised with operations in both the U.S. and the U.K.. The Group has introduced a robust global compliance programme, with compliance officers in both countries where it has operations. In the U.S., the Group has staff located in New York, with further market coverage via arrangements with a collection of distinguished retired lawyers in other locations. Following the Gerchen Keller acquisition, the Group also has an office in Chicago. In the U.K., the Group’s staff are located in London. The Group runs a globally integrated underwriting and investment function that both pools resources and also involves personnel from both countries in its global Investment Committee, whose approval is required for any new investment. The Group has approximately 80 full-time staff.

The Group’s team is multi-disciplinary, with senior and experienced finance and investment professionals, which are critical components in any investment decision-making undertaking.

#### **Audit committee**

The Audit committee consists of Charles Parkinson, who chairs the committee, and David Lowe. The committee meets at least twice per year.

The Audit committee monitors the integrity of the Guarantor’s financial reporting, monitors and reviews the Guarantor’s accounting policies, reviews the Guarantor’s internal control and risk management systems, reviews the Guarantor’s whistleblowing procedure, monitors and reviews the Guarantor’s internal audit function, monitors the relationship between the Guarantor and the external auditors and provides a forum through which the Guarantor’s external audit functions report to the Board of Directors. The Audit committee is also responsible for reviewing the results of the annual external audit, its effectiveness and the independence and objectivity of the external audit.

#### **Share capital and major shareholders**

The market capitalisation of the Guarantor on the AIM of the London Stock Exchange at the close of business on 10 May 2017 was £1,557,620,083. The Guarantor currently has 208,237,979 ordinary shares of nil par value in issue. There are no restrictions on the transfer of the Guarantor’s shares.

Based on information obtained by the Guarantor from public announcements made by shareholders upon their purchase and sale of the Guarantor’s shares above applicable regulatory thresholds, the Guarantors significant shareholders are currently as follows:

<b>Shareholder Name</b>	<b>Amount (\$)</b>	<b>Percentage Holding</b>
Invesco Perpetual	<b>51,985,955</b>	24.96%
Woodford Investment Management	<b>20,724,001</b>	9.95%
Fidelity Worldwide Investment	<b>18,027,876</b>	8.66%
Christopher Bogart <sup>(1)</sup>	<b>13,186,290</b>	6.33%
Jonathan Molot <sup>(1)</sup>	<b>12,839,394</b>	6.17%

(1) Member of the Guarantor's senior management team.

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## **Selected Financial Information**

## SELECTED FINANCIAL INFORMATION

**This Section sets out important historical financial information relating to the Issuer, the Guarantor and the Group.**

The following tables set out in summary form the consolidated income statement, balance sheet and statement of cash flows of Burford Capital Limited (the “**Guarantor**”) for the years ended 31 December 2016 and 31 December 2015. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited consolidated annual financial statements of the Guarantor for the years ended 31 December 2016 and 31 December 2015.

### Profit and Loss Account

	Audited year ended 31 December 2016 \$'000	Audited year ended 31 December 2015 \$'000
Litigation investment income .....	140,187	87,877
Insurance income.....	12,923	12,763
New initiative income.....	8,849	2,510
Investment management income	647	-
Other income .....	797	(143)
<b>Total income</b> .....	<b>163,403</b>	<b>103,007</b>
Operating expenses – litigation investment.....	(26,017)	(15,654)
Operating expenses – insurance .....	(1,696)	(2,577)
Operating expenses – new initiatives.....	(4,895)	(2,797)
Operating expenses – investment management	(443)	-
Operating expenses – corporate.....	(5,975)	(4,812)
Amortisation of intangible asset arising on acquisition	(271)	-
<b>Operating profit</b> .....	<b>124,106</b>	<b>77,167</b>
Finance cost.....	(14,108)	(9,290)
<b>Profit before tax and acquisition costs</b>	<b>109,998</b>	<b>67,877</b>
Non-recurring acquisition costs	(5,945)	-
<b>Profit for the year before taxation</b> .....	<b>104,053</b>	<b>67,877</b>
Taxation .....	4,817	(2,204)
<b>Profit for the year after taxation</b> .....	<b>108,870</b>	<b>65,673</b>

### Consolidated Balance Sheet

	Audited year ended 31 December 2016 \$'000	Audited year ended 31 December 2015 \$'000
<b>Assets</b>		
Non-current assets .....	776,819	371,784
Current assets .....	191,412	222,321
<b>Total assets</b> .....	<b>968,231</b>	<b>594,105</b>
<b>Liabilities</b>		
Current liabilities .....	94,987	27,700
Non-current liabilities .....	277,085	132,378
<b>Total liabilities</b> .....	<b>372,072</b>	<b>160,078</b>
<b>Total net assets</b> .....	<b>596,159</b>	<b>434,027</b>

Total equity shareholders' funds .....	596,159	434,027
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#### Consolidated Cash Flow Statement

	Audited year ended 31 December 2016 \$'000	Audited year ended 31 December 2015 \$'000
Net cash (outflow) from operating activities .....	(6,668)	(20,139)
Net cash inflow / (outflow) from financing activities.....	157,895	(25,651)
Net cash (outflow) from investing activities .....	(36,988)	(1,910)
Net increase / (decrease) in cash and cash equivalents.....	114,239	(47,700)
<b>Reconciliation of net cash flow to movements in cash and cash equivalents .....</b>		
Cash and cash equivalents at beginning of year .....	45,417	93,640
Increase / (decrease) in cash and cash equivalents.....	114,239	(47,700)
Effect of exchange rate changes on cash and cash equivalents....	(1,285)	(523)
<b>Cash and cash equivalents at end of year .....</b>	<b>158,371</b>	<b>45,417</b>

The following tables set out in summary form the income statement and balance sheet of Burford Capital PLC (the “**Issuer**”) for the year ended 31 December 2015 and for the year ended 31 December 2016. Such information is extracted (without material adjustment) from, and is qualified by reference to and should be read in conjunction with, the audited financial statements of the Issuer for the year ended 31 December 2015 and for the year ended 31 December 2016. Under the financial reporting standards, the Issuer is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the Issuer’s cash flows in its own published consolidated financial statements.

#### Profit and Loss Statement

	Audited year ended 31 December 2016 £'000	Audited year ended 31 December 2015 £'000
Income .....	2,813	-
Operating expenses .....	(1,633)	(1,257)
<b>Operating Profit/(Loss)</b>	<b>1,180</b>	<b>(1,257)</b>
Interest receivable and similar income	1,313	-
Interest expense and similar charges.....	(10,140)	(5,844)
<b>Loss on ordinary activities before taxation .....</b>	<b>(7,647)</b>	<b>(7,101)</b>
Tax credit on profit on ordinary activities .....	1,133	1,434
<b>Loss for the financial period .....</b>	<b>(6,514)</b>	<b>(5,667)</b>

**Balance Sheet**

	<b>Audited year ended 31 December 2016 £'000</b>	<b>Audited year ended 31 December 2015 £'000</b>
<b>Non-current assets</b>		
Investment in subsidiary	98,500	-
Debtors: amounts falling due after more than one year.....	86,010	89,063
<b>Current assets</b>		
Debtors: amounts falling due in one year	876	144
Cash at bank and in hand .....	139	1
<b>Total assets</b> .....	185,525	89,208
<b>Creditors: amounts falling due within one year:</b> .....	(4,026)	(6,983)
<b>Total assets less current liabilities</b> .....	181,499	82,225
<b>Creditors: amounts falling due after more than one year:</b> ....	(188,788)	(90,000)
<b>Net liabilities</b> .....	(7,289)	(7,775)
<b>Capital and reserves</b> .....		
Called up share capital.....	7,050	50
Profit and loss account.....	(14,339)	(7,825)
<b>Equity shareholders deficit</b> .....	(7,289)	(7,775)

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## **Subscription and Sale**

## SUBSCRIPTION AND SALE

**This Section contains a description of the material provisions of the Subscription Agreement.**

Under a subscription agreement expected to be dated on or about 30 May 2017 (the “**Subscription Agreement**”), Peel Hunt LLP (the “**Manager**”) is expected to agree to procure subscribers for the 5.0 per cent. guaranteed bonds due 2026 (the “**Bonds**”) at the issue price of 100 per cent. of the principal amount of the Bonds, less arrangement, management and applicable distribution fees. The Manager will receive fees of 1.25 per cent. of the principal amount of the Bonds. “**Authorised Offerors**” (being any financial intermediary which satisfies the conditions as set out in the section of this Prospectus titled “*Important Legal Information*”) may also be eligible to receive a distribution fee as follows:

- (i) each initial Authorised Offeror will be eligible to receive a distribution fee of 0.375 per cent. of the principal amount of the Bonds allotted to them; and
- (ii) each additional Authorised Offeror may be eligible to receive a distribution fee of up to 0.375 per cent. of the principal amount of the Bonds allotted to them.

Burford Capital PLC (the “**Issuer**”) (failing whom Burford Capital Limited (the “**Guarantor**”) will also reimburse the Manager in respect of certain of its expenses, and the Issuer and the Guarantor are expected to agree to indemnify the Manager against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer. The issue of the Bonds will not be underwritten by the Manager, the Authorised Offerors or any other person.

### **Selling restrictions**

Under the terms of the Subscription Agreement, the Issuer, the Guarantor and the Manager have agreed to comply with the selling restrictions set out below. The Authorised Offerors are also required to comply with these restrictions under the Authorised Offeror Terms. See Section 11 (*Important Legal Information - Consent*).

#### **U.S.**

The Bonds and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or other jurisdiction of the U.S. and the Bonds are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons or in a manner which would require the Issuer to register under the U.S. Investment Company Act of 1940, as amended. The Manager has agreed that they will not offer, sell or deliver any Bonds within the U.S. or to, or for the account or benefit of, U.S. persons.

#### **U.K.**

The Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of FSMA) would not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the U.K..

### *Jersey*

The Manager has represented and agreed that it has not circulated, and will not circulate, in Jersey any offer for subscription, sale or exchange of Bonds unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the United Kingdom without contravening the Financial Services and Markets Act 2000 and is, mutatis mutandis, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom.

### *Guernsey*

The Manager has represented and agreed that:

- (a) the Bonds cannot be promoted, marketed, offered or sold in or from within the Bailiwick of Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, and the regulations enacted thereunder, or any exemption therefrom;
- (b) this Prospectus has not been approved, authorised or registered by the Guernsey Financial Services Commission for circulation in the Bailiwick of Guernsey; and
- (c) this Prospectus may not be distributed or circulated, directly or indirectly, to any persons in the Bailiwick of Guernsey other than:
  - (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended; or
  - (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, the Insurance Business (Bailiwick of Guernsey) Law 2002, as amended, the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended or the Regulation of Fiduciaries, Administration Business and Company Directors etc (Bailiwick of Guernsey) Law 2000, as amended.

### *Isle of Man*

The Manager has represented and agreed that the Bonds cannot be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or in accordance with any relevant exclusion contained in the Isle of Man Regulated Activities Order 2011 or in accordance with any relevant exemption contained in the Isle of Man Financial Services (Exemptions) Regulations 2011.

### *Public offer selling restriction under the Prospectus Directive*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Bonds to the public in that Relevant Member State other than the offers contemplated in this Prospectus in the U.K. from the time the Prospectus has been approved by the competent authority in the U.K. and published in accordance with the Prospectus Directive as implemented in the U.K. until

the Issue Date or such later date as the Issuer may permit, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Manager nominated by the Issuer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds referred shall require the Issuer or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

In this provision, the expression an “**offer of Bonds to the public**” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the “**Prospectus Directive**” in that Member State; the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in the Relevant Member State of the European Economic Area.

#### ***General***

Save for the offers to be made in the U.K., no action has been taken by the Issuer, the Guarantor or the Manager that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any amendment or supplement thereto or any other offering material, in all cases at its own expense.

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## **Additional Information**

## ADDITIONAL INFORMATION

You should be aware of a number of other matters that may not have been addressed in detail elsewhere in this Prospectus.

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

### **Listing and admission to trading of the Bonds**

It is expected that the admission of the 5.0 per cent. guaranteed bonds due 2026 (the “**Bonds**”), to be issued by Burford Capital PLC (the “**Issuer**”) and guaranteed by Burford Capital Limited (the “**Guarantee**” and the “**Guarantor**” respectively), to the Official List will be granted on or about 2 June 2017. Application will be made to the UK Listing Authority for the Bonds to be admitted to the Official List and to the London Stock Exchange for such Bonds to be admitted to trading on the Regulated Market and through its electronic Order book for Retail Bonds. Admission of the Bonds to trading is expected to occur on or about 2 June 2017.

The amount of expenses related to the issue of the Bonds (i.e. being the fees payable to the Manager and excluding other expenses) will be specified in the Sizing Announcement published by the Issuer on a Regulatory Information Service.

The London Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (“**MiFID**”). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors.

### **Issuer’s and Guarantor’s authorisation**

The issue of the Bonds was duly authorised by a resolution of the Board of Directors of the Issuer passed on 10 May 2017.

The giving of the Guarantee will be duly authorised by the resolution of the Board of Directors of the Guarantor to be passed on or about 16 May 2017.

The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in England and Wales (in the case of the Issuer) and Bailiwick of Guernsey (in the case of the Guarantor) in connection with the issue and performance of the Bonds and the giving of the Guarantee.

### **Significant or material change statement**

There has been no significant change in the financial or trading position of the Issuer, the Guarantor or the Group and no material adverse change in the prospects of the Issuer or the Guarantor, since 31 December 2016.

### **Litigation statement**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the 12 months period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer’s, the Guarantor’s or the Group’s financial position or profitability.

### **Clearing systems information and Bond security codes**

The Bonds will initially be represented by a global certificate (the “**Global Certificate**”), which will be deposited with a common depository for Clearstream Banking S.A., (“**Clearstream, Luxembourg**”) and Euroclear Bank SA/NV (“**Euroclear**”) on or about the Issue Date. The Global Certificate will be exchangeable for definitive certificates (“**Definitive Certificates**”) in the limited circumstances set out in it. See Appendix 3 (*Summary of Provisions Relating to the Bonds While in Global Form*) of this Prospectus.

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Bonds will be accepted for settlement in CREST via the CDI mechanism. Interests in the Bonds may also be held through CREST through the issuance of CDIs representing the Underlying Bonds. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus. For more information on the CDI mechanism, refer to the section of the Prospectus titled “*Risk Factors –Holding CREST depository interests*”. The ISIN for the Bonds is XS1614096425 and the Common Code is 161409642.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB.

### **Documents available for inspection**

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

- (a) the constitutional documents of the Issuer and the Guarantor;
- (b) the most recently published annual and interim financial statements (if any) of the Issuer, together with any audit or review reports prepared in connection therewith;
- (c) the most recently published interim financial statements (if any) of the Guarantor, together with any audit or review reports prepared in connection therewith;
- (d) the 2015 Annual Report and the 2016 Annual Report of the Guarantor;
- (d) the audited financial statements of the Issuer in respect of the year ended 31 December 2015 and for the year ended 31 December 2016, in each case together with the audit reports prepared in connection therewith;
- (e) the Trust Deed dated 1 June 2017 pursuant to which the Bonds are constituted (which includes the Guarantee);
- (f) the Agency Agreement dated 1 June 2017 pursuant to which Elavon Financial Services DAC, acting through its U.K. Branch is appointed as Principal Paying Agent and Registrar in respect of the Bonds;
- (g) a copy of this Prospectus; and
- (h) any future prospectuses and supplements to this Prospectus.

**Auditors**

The consolidated financial statements of the Guarantor for the financial years ended 31 December 2015 and 31 December 2016 have been audited without qualification by Ernst & Young LLP of 25 Churchill Place, Canary Wharf, London, E14 R5B, as its auditors. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales.

The financial statements of the Issuer for the period for the financial years ended 31 December 2015 and 31 December 2016 have been audited without qualification by Ernst & Young LLP of 25 Churchill Place, Canary Wharf, London, E14 R5B, as its auditors. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales.

**Material and conflicts of interest in the offer**

So far as the Issuer and the Guarantor are aware, no person involved in the offer of the Bonds has an interest material to the offer. There are no conflicts of interest which are material to the offer of the Bonds.

**Material Contracts**

There are no material contracts entered into other than in the ordinary course of the Group's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's, or the Guarantor's, as the case may be, ability to meet its obligations to Bondholders in respect of the Bonds being issued.

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## **Important Legal Information**

## IMPORTANT LEGAL INFORMATION

### Important information relating to the Public Offer of the Bonds

If, in the context of the Public Offer (as defined below) you are offered Bonds by any entity, you should check that such entity is authorised to use this Prospectus for the purposes of making such offer before agreeing to purchase any Bonds. To be authorised to use this Prospectus in connection with the Public Offer (referred to below as an “Authorised Offeror”), an entity must be:

- a Manager; or
- any financial intermediary which (a) satisfies the “Authorised Offer Terms” as defined and set out below; and (b) accepts such offer by publishing on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Issuer and the Guarantor.

Other than as set out above, none of the Issuer or the Manager have authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with any offer of Bonds.

This Section contains some important legal information regarding the basis on which this Prospectus may be used and other matters.

This Prospectus has been prepared on a basis that permits a “**Public Offer**” (being an offer of the 5.0 per cent. guaranteed bonds due 2026 (the “**Bonds**”) that is not within an exemption from the requirement to publish a prospectus under Article 5.4 of the Prospectus Directive) in the U.K.. Any person making or intending to make a Public Offer of Bonds in the U.K. on the basis of this Prospectus must do so only with the consent of Burford Capital PLC (the “**Issuer**”) and Burford Capital Limited (the “**Guarantor**”) – see “*Consent given in accordance with Article 3.2 of the Prospectus Directive*” below.

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

In the context of any Public Offer of Bonds in the U.K., each of the Issuer and the Guarantor accepts responsibility, in the U.K., for the content of this Prospectus under section 90 of FSMA in relation to any person in the U.K. to whom an offer of any Bonds is made by a financial intermediary (including Peel Hunt LLP) to whom the Issuer and the Guarantor has given its consent to use the Prospectus, where the offer is made in compliance with all conditions attached to the giving of such consent. Such consent and the attached conditions are described under “*Consent*” below.

Except in the circumstances described below, none of Peel Hunt LLP (the “**Manager**”), the Issuer or the Guarantor have authorised the making of any Public Offer and the Issuer has not consented to the use of this Prospectus by any other person in connection with any offer of the Bonds. Any offer made without the consent of the Issuer and the Guarantor is unauthorised and none of the Issuer, the Guarantor or the Manager accept any responsibility in relation to such offer.

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

## Consent

The Issuer and the Guarantor consent to the use of this Prospectus in connection with any Public Offeror of Bonds in the U.K. during the Offer Period by:

- (i) the Manager; and
- (ii) any financial intermediary (an “**Authorised Offeror**”) which satisfies the Authorised Offer Terms and other conditions as set out below.

The “**Authorised Offeror Terms**” are that the relevant financial intermediary represents and agrees that it:

- (a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (“**MiFID**”) (in which regard, you should consult the register of authorised entities maintained by the FCA at [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register)). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors;
- (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), including the Rules published by the Financial Conduct Authority (“**FCA**”) (including its guidance for distributors in “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Bonds by any person and disclosure to any potential investor;
- (c) complies with the restrictions set out under “*Subscription and Sale*” in this Prospectus which would apply as if it were a Manager;
- (d) ensures that any fee (and any commissions, rebate or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and is fully and clearly disclosed to investors or potential investors;
- (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules, including authorisation under the Financial Services and Markets Act 2000 (“**FSMA**”) and/or the Financial Services Act 2012;
- (f) complies with and takes appropriate steps in relation to applicable anti-money laundering, anti-bribery and “know your client” Rules, and does not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- (g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Manager, the Issuer and the Guarantor or directly to the appropriate authorities with jurisdiction over the Issuer and/or the Guarantor and/or the Manager in order to enable the Issuer and/or the Guarantor and/or the Manager to comply with anti-money laundering, anti-bribery and “know your client” Rules applying to the Issuer and/or the Guarantor and/or the Manager;

- (h) does not, directly or indirectly, cause the Issuer or the Guarantor or the Manager to breach any Rule or subject the Issuer or the Guarantor or the Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (i) agrees and undertakes to indemnify each of the Issuer, the Guarantor and the Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantor or the Manager;
- (j) will immediately give notice to the Issuer, the Guarantor and the Manager if at any time such Authorised Offeror becomes aware or suspects that they are or may be in violation of any Rules or the Authorised Offeror Terms, and will take all appropriate steps to remedy such violation and comply with such Rules and the Authorised Offeror Terms in all respects;
- (k) will not give any information other than that contained in this document (as may be amended or supplemented by the Issuer from time to time) or the information booklet prepared by the Issuer, the Guarantor and the Manager or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Bonds;
- (l) agrees that any communication in which it attaches or otherwise includes the Prospectus or any announcement published by the Issuer via a Regulatory Information Service at the end of the Offer Period will be consistent with the Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and the Guarantor and must expressly confirm that neither the Issuer nor the Guarantor accepts any responsibility for the content of any such communication;
- (m) will not use the legal or publicity names of the Manager, the Issuer, the Guarantor (other than to describe such entity as a Manager, the Issuer or the Guarantor of the Bonds (as applicable)) or any other name, brand or logo registered by the Guarantor or any of its subsidiaries or any material over which any member of the Guarantor or its subsidiaries retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Bonds; and
- (n) agrees and accepts that:
  - (i) the contract between the Issuer, the Guarantor and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Agreement**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Agreement, shall be governed by, and construed in accordance with, English law;

- (ii) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Agreement) and accordingly submits to the exclusive jurisdiction of the English courts; and
- (iii) the Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Agreement which are, or are expressed to be, for its benefit, including the agreements, representations, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any financial intermediary who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website that it is using this Prospectus for such Public Offer in accordance with the consent of the Issuer and the Guarantor and the conditions attached thereto in the following form (with the information in square brackets completed with the relevant information):**

*“We, [insert legal name of financial intermediary], refer to the 5.0 per cent. sterling denominated guaranteed Bonds due 2026 of Burford Capital PLC. In consideration of Burford Capital PLC and Burford Capital Limited offering to grant its consent to our use of the Prospectus dated 11 May 2017 relating to the Bonds in connection with the offer of the Bonds in the U.K. (the “Public Offer”) during the Offer Period and subject to the other conditions to such consent, each as specified in the Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Prospectus) and we are using the Prospectus in connection with the Public Offer accordingly”.*

A Public Offer may be made subject to the conditions set out above, during the Offer Period by any of the Issuer, the Guarantor, the Manager or the other Authorised Offerors.

Other than as set out above, none of the Issuer, the Guarantor or the Manager have authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Bonds. Any such offers are not made on behalf of the Issuer or by the Guarantor, the Manager or the other Authorised Offerors and none of the Issuer, the Guarantor, the Manager or the other Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

#### **Arrangements between you and the financial intermediaries who will distribute the Bonds**

None of the Issuer, the Guarantor or the Manager have any responsibility for any of the actions of any Authorised Offeror (except for the Manager, where they are acting in the capacity of an Authorised Offeror), including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

It is expected that any new information with respect to a financial intermediary that is unknown as at the date of this Prospectus will be published in the investor relations section of the website of such financial intermediary.

**If you intend to acquire or do acquire any Bonds from an Authorised Offeror, you will do so, and offers and sales of the Bonds to you by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price, allocations and settlement arrangements (see Section 4 (*How to apply for the Bonds*)) at the time the offer and sale is made.**

Neither the Issuer nor the Guarantor will be a party to any such arrangements with you in connection with the offer or sale of the Bonds and, accordingly, this Prospectus does not contain such information. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to you at the relevant time. None of the Issuer, the Guarantor, the Manager or the other Authorised Offerors has any responsibility or liability for such information.

#### **Notice to investors**

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Annex 4 - Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

The Bonds may not be a suitable investment for all investors. You must determine the suitability of any investment in light of your own circumstances. In particular, you may wish to consider, either on your own or with the help of your financial and other professional advisers, whether you:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus (and any applicable supplement to this Prospectus);
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the Bonds and the impact the Bonds will have on your overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments (sterling) is different from the currency which you usually use;
- (d) understand thoroughly the terms of the Bonds and are familiar with the behaviour of the financial markets; and
- (e) are able to evaluate possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

No person is or has been authorised by the Issuer, the Guarantor, the Manager or U.S. Bank Trustees Limited (the “**Trustee**”) to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Manager or the Trustee.

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

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds should be considered as a recommendation by the Issuer, the Guarantor, the Manager or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each potential purchaser of Bonds should determine for itself

the relevance of the information contained in this Prospectus and any purchase of Bonds should be based upon such investigation as it deems necessary.

### **The Manager and the Trustee**

Neither the Manager nor the Trustee has independently confirmed the information contained in this Prospectus. No representation, warranty or undertaking, express or implied, is made by the Manager or the Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Bonds. Neither the Manager nor the Trustee accepts liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Bonds or their distribution.

The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and the Guarantor's affiliates in the ordinary course of business.

### **No incorporation of websites**

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

### **Forward-looking statements**

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

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations, strategies or industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Offering Circular. In addition, even if the results of operations, strategies and the development of industries in which the Group operates, are consistent with the forward-looking statements obtained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These and other issues are described in more detail in the section headed "Risk Factors". Should one or more of these risks or uncertainties materialise, or should underlying assumptions on which forward-looking statements are based prove incorrect, actual results and development may vary materially from those described in this Prospectus as believed, estimated or expected. Except to the extent required by laws and regulations, the Issuer and the Guarantor do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Prospectus.

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

### **CREST depository interests**

In certain circumstances, investors may also hold interests in the Bonds through CREST through the issue of CDIs representing interests in Underlying Bonds. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). Neither the Bonds nor any rights attached to the Bonds will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

### **Selling restrictions**

This Prospectus does not constitute or form part of an offer to sell, or the solicitation of an offer to buy, Bonds to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. This Prospectus is not for distribution in the U.S., Australia, Canada or Japan. The Bonds and the Guarantee have not been and will not be registered under the Securities Act or qualified for sale under the laws of the U.S. or under any applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of U.S. persons.

The distribution of this Prospectus and the offer or sale of the Bonds in certain jurisdictions may be restricted by law. No action has been or will be taken by the Issuer, the Guarantor, the Manager or the Trustee anywhere which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction, other than in the U.K., the Bailiwick of Guernsey, Jersey and/or the Isle of Man. You must inform yourself about, and observe, any such restrictions.

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## **Alternative Performance Measures**

## ALTERNATIVE PERFORMANCE MEASURES

The Group uses adjusted figures which are not defined by generally accepted accounting principles ("GAAP") such as IFRS. The figures below are presented as additional performance measures used by management, as they provide relevant information in assessing the Group's performance, position and cash flows. The Group believes that these measures enable investors to more clearly track the core operational performance of the Group, while providing investors with a clear basis for assessing the Group's ability to raise debt and make new investments. The Group's management uses these financial measures, along with IFRS financial measures, in evaluating its operating performance as a whole and the individual business segments. Adjusted and underlying financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The measures may not be directly comparable to similarly reported measures by other companies.

The adjusted financial measures used are:

- Operating profit margin: operating profit expressed as a percentage of total income. This is a key financial measure as it shows the rate at which revenues are converted to profits.
- Return on equity: a measure of profitability that calculates how many dollars of profit is generated with each dollar of shareholders' equity. This is a key financial measure used by management.

Reconciliations of all non-GAAP financial measures to the most directly comparable measure reported under IFRS are set forth in the tables below:

### Operating profit margin

Operating profit margin is calculated by dividing operating profit by total income.

Consolidated Profit and Loss Statement	Audited year ended 31 December 2016 \$000	Audited year ended 31 December 2015 \$000
Operating profit	124,106	77,167
Total income	163,403	103,007
Operating profit margin	76%	75%

### Return on equity

Return on equity is calculated by (i) taking total comprehensive income for the year and subtracting other comprehensive income, to get the adjusted profit figure then (ii) dividing adjusted profit by the average book equity. Average book equity is derived by adding the total equity shareholders' funds at the end of the financial year to the reported total equity shareholders' funds at the end of the prior financial year and dividing by two.

Consolidated Profit and Loss Statement	Audited year ended 31 December 2016 \$000	Audited year ended 31 December 2015 \$000
Total comprehensive income	143,791	68,215

<i>Less other comprehensive income</i>	(34,921)	(2,542)
<b>Adjusted profit</b>	<b><u>108,870</u></b>	<b><u>65,673</u></b>
<b>Total equity shareholders' funds</b>	<b>596,159</b>	<b>434,027<sup>4</sup></b>
<b>Average book equity</b>	<b>515,093</b>	<b>408,282</b>
<b>Return on equity</b>	<b>21%</b>	<b>16%</b>

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<sup>4</sup> The figure for total equity shareholders' funds in the year ended 31 December 2014 (which is used to calculate average book equity for the year ended 31 December 2015) was \$382,537,000.

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# **APPENDIX 1**

## **DEFINED TERMS INDEX**

## APPENDIX 1 DEFINED TERMS INDEX

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

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All references in this Prospectus to “**sterling**” and “**£**” refer to the lawful currency of the U.K..

References to the singular in this document shall include the plural and vice versa, where the context so requires.

The term “**subsidiary**” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006, as amended.

All references to time in this Prospectus are to London time.

“**\$**” and “**U.S. dollar**” means United States dollars.

“**concluded**” means the Group views matters as concluded when there is no longer litigation risk associated with their outcome and when the Group’s entitlement is crystallised or well-defined. While concluded matters often produce cash returns rapidly, some concluded matters are still in the process of being monetised;

“**gross investment recoveries**” means these are (i) entirely concluded investments from which the Group has received all proceeds to which it is entitled (net of any entirely concluded investment losses); (ii) the portion of investments from which the Group has received some proceeds (for example, from a settlement with one party in a multi-party case) but where the investment is continuing with the possibility of receiving additional proceeds; and (iii) investments in respect of which the underlying litigation has been resolved and there is a promise to pay proceeds in the future (for example, in a settlement that is to be paid over time) and there is no longer any litigation risk involved in the investment. When the Group expresses returns, it does so assuming all investment recoveries are paid currently, discounting back future payments as appropriate. The Group does not include wins or other successes where there remains litigation risk in the definition of “investment recoveries”;

“**U.K.**” means the United Kingdom; and

“**U.S.**” means the United States of America (including the States and the District of Columbia and its possessions).

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## **APPENDIX 2**

# **TERMS AND CONDITIONS OF THE BONDS**

**APPENDIX 2**  
**TERMS AND CONDITIONS OF THE BONDS**

*The following (disregarding any footnotes in italics) is the text of the Conditions of the Bonds which (subject to modification) will be endorsed on the Certificates issued in respect of the Bonds:*

The sterling denominated 5.0 per cent. Guaranteed Bonds due 2026 (the “**Bonds**”, which expression shall in these Conditions, unless the context otherwise requires, include any further bonds issued pursuant to Condition 18 and forming a single series with the Bonds of Burford Capital PLC (the “**Issuer**”)) are constituted by a Trust Deed dated the Issue Date (the “**Trust Deed**”) made between the Issuer, Burford Capital Limited (“**BCL**”) as guarantor and U.S. Bank Trustees Limited (the “**Trustee**”, which expression shall include its successor(s)) as trustee for the holders of the Bonds (the “**Bondholders**”). References in these Conditions to the “**Guarantors**” shall be references to BCL and each Subsidiary of BCL which becomes a Guarantor pursuant to Condition 4.3 but shall not include any Subsidiary of BCL which has ceased to be a Guarantor pursuant to Condition 4.4.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated the Issue Date (the “**Agency Agreement**”) made between the Issuer, BCL, the Registrar, the initial Transfer Agent, the initial Paying Agent and the Trustee are available for inspection during normal business hours by the Bondholders at the registered office for the time being of the Trustee, being at the date of issue of the Bonds at 125 Old Broad Street, London EC2N 1AR and at the specified office of each of the Paying Agents. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

**1. Form, Denomination and Title**

**1.1 Form and Denomination**

The Bonds are issued in registered form in amounts of £100 (referred to as the “**principal amount**” of a Bond). A certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

**1.2 Title**

Title to the Bonds passes only by registration in the register of Bondholders. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions “**Bondholder**” and (in relation to a Bond) “**holder**” means the person in whose name a Bond is registered in the register of Bondholders.

**2. Transfers of Bonds and Issue of Certificates**

**2.1 Transfers**

A Bond may be transferred by depositing the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed, at the specified office of any Transfer Agent.

## **2.2 Delivery of new Certificates**

Each new Certificate to be issued upon transfer of Bonds will, within five business days of receipt by the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Bond to the address specified in the form of transfer. For the purposes of this Condition, “**business day**” shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Bonds not so transferred will, within five business days of receipt by the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred to the address of such holder appearing on the register of Bondholders or as specified in the form of transfer.

## **2.3 Formalities free of charge**

Registration of transfer of Bonds will be effected without charge by or on behalf of the Issuer or any Transfer Agent but upon payment (or the giving of such indemnity as the Issuer or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

## **2.4 Closed Periods**

No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on the due date for any payment of principal, premium or interest on that Bond.

## **2.5 Regulations**

All transfers of Bonds and entries on the register of Bondholders will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Transfer Agents and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder who requests one.

## **3. Status of the Bonds**

The Bonds are direct, unconditional and (subject to the provisions of Condition 5.1) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

## **4. Guarantee**

### **4.1 Guarantee**

The payment of the principal and interest in respect of the Bonds and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been jointly and severally unconditionally and irrevocably guaranteed by BCL (such guarantee together with any additional guarantees provided pursuant to Condition 4.3, the “**Guarantee**”) in the Trust Deed.

#### **4.2 Status of the Guarantee**

The obligations of each Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 5.1) unsecured obligations of such Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

#### **4.3 Addition of Subsidiary Guarantors**

Without prejudice to Condition 5, if any Subsidiary of BCL (other than an Excluded Subsidiary) has Financial Indebtedness which in aggregate (without duplication) amounts to more than £2,000,000 (or its equivalent in any other currency), BCL covenants that it shall procure that such Subsidiary shall as soon as reasonably practicable, but in any event no later than 60 days after the date on which it incurs such Financial Indebtedness, provide a Guarantee in respect of the Trust Deed and the Bonds by procuring the delivery to the Trustee of a deed of accession substantially in the form scheduled to the Trust Deed or otherwise as the Trustee may agree, duly executed, and relevant legal opinions having been delivered to the Trustee in accordance with the Trust Deed.

Notice of any addition of a Subsidiary Guarantor (as defined below) pursuant to this Condition 4.3 will promptly be given by the Issuer to the Bondholders in accordance with Condition 14.

Upon execution of the deed of accession referred to above and relevant legal opinions having been delivered to the Trustee (and subject to Condition 4.4) the relevant acceding Subsidiary shall be referred to as a "**Subsidiary Guarantor**".

#### **4.4 Release of Subsidiary Guarantors**

A Subsidiary Guarantor which has Financial Indebtedness which in aggregate (without duplication) amounts to £2,000,000 (or its equivalent in any other currency) or less shall be immediately, automatically and (subject to Condition 4.3) irrevocably released and relieved of all its future obligations under the Guarantee and all of its future obligations as a Subsidiary Guarantor under the Trust Deed upon BCL giving written notice to the Trustee signed by two directors of BCL or by a director and the secretary of BCL. Such notice must also contain the following certifications:

- (i) that no Event of Default or Potential Event of Default (as defined in the Trust Deed) is continuing; and
- (ii) that such Subsidiary Guarantor has Financial Indebtedness which in aggregate (without duplication) amounts to £2,000,000 (or its equivalent in any other currency) or less.

None of the Issuer, BCL or any Subsidiary Guarantor will be required to execute or provide any other document in relation to any release pursuant to this Condition 4.4 but, if the Issuer requests in writing, the Trustee shall (at the expense of the Issuer) enter into any documentation in relation to the release of any Subsidiary Guarantor which the Issuer (acting reasonably) considers necessary or desirable and in a form satisfactory to the Trustee to evidence the release of that Subsidiary Guarantor, provided that, the Trustee shall not be obliged to enter into any documentation which, in the sole opinion of the Trustee, would have the effect of:

- (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or
- (ii) increasing or imposing new and/or additional obligations or duties, or reducing the protections, of the Trustee in the Trust Deed, the Agency Agreement and the Bonds.

Notice of any release of a Subsidiary Guarantor pursuant to this Condition 4.4 will promptly be given by the Issuer to the Bondholders in accordance with Condition 14.

If any Subsidiary of BCL released from the Guarantee as described above subsequently has Financial Indebtedness which in aggregate (without duplication) amounts to more than £2,000,000 (or its equivalent in any other currency) at any time after such release, such Subsidiary of BCL shall (unless it is an Excluded Subsidiary) be required to provide a Guarantee as described in Condition 4.3.

#### **4.5 No Requirement to monitor**

The Trustee shall not be obliged to monitor compliance by BCL with Conditions 4.3 or 4.4 and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely without further enquiry or evidence, without liability to any person, on any notice provided by BCL in relation to this Condition 4, and until it receives such notice shall be entitled to assume that no other Subsidiary of BCL (other than an Excluded Subsidiary) has Financial Indebtedness which in aggregate (without duplication) amounts to more than £2,000,000 (or its equivalent in any other currency).

### **5. Covenants**

#### **5.1 Negative Pledges**

So long as any of the Bonds remain outstanding (as defined in the Trust Deed):

- (a) the Issuer will not, create, assume or permit to subsist any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”, provided that (for the avoidance of doubt), a “Security Interest” shall not include any arrangement by which the Issuer, Guarantor, or any Subsidiary enters into a title transfer collateral arrangement governed by English law or a comparable arrangement in any other jurisdiction that is no more permissive for that Issuer, Guarantor or Subsidiary than an English law title transfer collateral arrangement) upon, or with respect to, the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Financial Indebtedness of any person other than an Excluded Subsidiary<sup>5</sup> unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Bonds and the Trust Deed are secured by the Security Interest equally and rateably with the Financial Indebtedness to the satisfaction of the Trustee; or
  - (ii) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Bondholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders;
- (b) no Guarantor will, and each Guarantor will procure, so far as it can by the proper exercise of voting and other rights or powers of control exercisable by it in relation to its Subsidiaries that none of its Subsidiaries (other than Excluded Subsidiaries) will, create, assume or permit to subsist any Security Interest upon, or with respect to, the whole or any part of the present or future business, undertaking, assets or revenues (including any uncalled capital) of such

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<sup>5</sup> *In relation to Financial Indebtedness of Excluded Subsidiaries please see Condition 5.1(c) below.*

Guarantor and/or any of its respective Subsidiaries (other than Excluded Subsidiaries) to secure any Financial Indebtedness of any person other than an Excluded Subsidiary<sup>1</sup> unless the relevant Guarantor, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Financial Indebtedness to the satisfaction of the Trustee; or
  - (ii) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Bondholders or (B) as is approved by an Extraordinary Resolution of the Bondholders; and
- (c) neither the Issuer nor any Guarantor will, and each Guarantor will procure, so far as it can by the proper exercise of voting and other rights or powers of control exercisable by it in relation to its Subsidiaries that none of its Subsidiaries (other than Excluded Subsidiaries) will:
- (i) create, assume or permit to subsist any Security Interest upon, or with respect to, the whole or any part of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer, any Guarantor and/or any of their respective Subsidiaries (other than Excluded Subsidiaries) to secure any Financial Indebtedness of any Excluded Subsidiary; or
  - (ii) create, assume or permit to subsist any guarantee or indemnity of any Financial Indebtedness of any Excluded Subsidiary,

## **5.2 Financial Covenant**

So long as any Bond remains outstanding (as defined in the Trust Deed), BCL shall ensure that, as at each Reference Date the Leverage Ratio is no more than 1:2.

## **5.3 Compliance Certificate**

BCL shall, concurrently with the delivery of each of the annual and semi-annual Consolidated Financial Statements referred to in Condition 5.4, provide to the Trustee a Directors' Certificate confirming compliance with the covenant contained in Condition 5.2 with respect to the most recent Reference Date.

## **5.4 Financial Information**

BCL has agreed in the Trust Deed, so long as any of the Bonds remain outstanding, to supply to the Trustee:

- (a) as soon as they may become available, but in any event within six months of its most recent financial year-end, a copy of its audited Consolidated Financial Statements for such financial year, together with the report thereon of BCL's independent auditors; and
- (b) as soon as they may become available, but in any event within three months of the end of the first half of each financial year, a copy of its unaudited Consolidated Financial Statements for such period.

## **5.5 No Requirement to Monitor**

The Trustee shall not be obliged to review any Consolidated Financial Statements provided to it pursuant to Condition 5.4, nor to monitor the Leverage Ratio on any Reference Date for the purposes of Condition 5.2.

## **6. Interest**

### **6.1 Interest Rate and Interest Payment Dates**

The Bonds bear interest from (and including) 1 June 2017 at the rate of 5.0 per cent. per annum, payable semi-annually in arrear on 1 December and 1 June (each an “**Interest Payment Date**”) in each year until (and including) the Maturity Date. The first payment (for the period from (and including) 1 June 2017 to (but excluding) 1 December 2017 and amounting to £2.50 per £100 principal amount of Bonds) shall be made on 1 December 2017.

### **6.2 Interest Accrual**

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

### **6.3 Calculation of Broken Interest**

When interest is required to be calculated in respect of a Bond for a period of less than a full half-year, it shall be calculated by applying the rate of interest on the Bonds to the denomination of the Bonds and multiplying the sum by the Day Count Fraction, and rounding the resultant figure to the nearest pence wherein the “**Day Count Fraction**” is calculated on the basis of (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the “**Accrual Date**”) to (but excluding) the date on which it falls due divided by (b) the actual number of days from (and including) the Accrual Date to (but excluding) the next following Interest Payment Date multiplied by two.

### **6.4 Interest Rate Step-up**

If following the Issue Date a Step-Up Event occurs, the rate of interest payable on the Bonds under Condition 6.1 shall increase by 1.00 per cent. per annum from (and including) the Interest Payment Date following the occurrence of such Step-Up Event and the Bonds shall thereafter bear interest at an increased rate of interest of 6.0 per cent. per annum.

Notice of any increase in the rate of interest pursuant to this Condition 6.4 will promptly be given by the Issuer to the Bondholders in accordance with Condition 14.

## **7. Payments**

### **7.1 Payments in respect of Bonds**

Payments of principal and interest in respect of each Bond will be made by transfer to the registered account of the Bondholder or by a cheque in Sterling drawn on a bank that processes payment in Sterling mailed to the registered address of the Bondholder if it does not have a registered account. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Interest on Bonds due on an Interest Payment Date will be paid to the holder shown on the

register of Bondholders at the close of business on the date (the “**record date**”) being the fifteenth day before the relevant Interest Payment Date.

For the purposes of this Condition, a Bondholder’s registered account means the Sterling account maintained by or on behalf of it with a bank that processes payments in Sterling, details of which appear on the register of Bondholders at the close of business, in the case of principal and interest due otherwise than on an Interest Payment Date, on the second Payment Business Day before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant record date, and a Bondholder’s registered address means its address appearing on the register of Bondholders at that time.

## **7.2 Payments subject to Applicable Laws**

Payments will be subject in all cases, to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 9, in the place of payment. Any such amounts withheld or deducted will be treated as paid for all purposes under the Bonds, and no additional amounts will be paid on the Bonds with respect to any such withholding or deduction.

## **7.3 No commissions**

No commissions or expenses shall be charged to the Bondholders in respect of any payments made in accordance with this Condition.

## **7.4 Payment on Payment Business Days**

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

## **7.5 Partial Payments**

If the amount of principal or interest which is due on the Bonds is not paid in full, the Registrar will annotate the register of Bondholders with a record of the amount of principal or interest in fact paid.

## **7.6 Initial Agents**

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantors reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

- (a) there will at all times be a Principal Paying Agent, a Transfer Agent and a Registrar; and
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city.

Notice of any termination or appointment and of any changes in specified offices will be given to the Bondholders promptly by the Issuer in accordance with Condition 14.

## **8. Redemption and Purchase**

### **8.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Bonds at their principal amount on the Maturity Date.

### **8.2 Redemption for Taxation Reasons**

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after (i) in the case of the Issuer or BCL, the Issue Date; or (ii) in the case of any Subsidiary Guarantor, the first day on which such Subsidiary Guarantor becomes a Guarantor pursuant to Condition 4.3, on the next Interest Payment Date either the Issuer would be required to pay additional amounts as provided or referred to in Condition 9.1 or any Guarantor could, if the Guarantee was called, be required to pay such additional amounts ; and
- (b) the requirement cannot be avoided by the Issuer or any Guarantor taking reasonable measures available to them (including by BCL procuring payment by the Issuer, itself or any other Guarantor),

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all the Bonds, but not some only, at any time at their principal amount together with interest accrued to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the relevant Guarantor would be required to pay such additional amounts, were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a Directors' Certificate from the Issuer or, as the case may be, the relevant Guarantor stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or the Guarantors taking reasonable measures available to them, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

### **8.3 Redemption at the Option of the Issuer**

The Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Bondholders in accordance with Condition 14; and
- (b) notice to the Registrar, the Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (a);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds, at any time prior to the Maturity Date at an amount (together with interest accrued to (but excluding) the date of redemption) being the higher of:

- (i) 100 per cent. of the principal amount of the Bonds; and
- (ii) the principal amount of the Bonds multiplied by the price, as reported to the Issuer and the Trustee by the Financial Adviser, at which the Gross Redemption Yield on the Bonds on the Make-Whole Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at 11.00 a.m. (London time) on the Make-Whole Reference Date of the Reference Bond, plus 1.00 per cent., all as determined by the Financial Adviser.

References to the payment of “**principal**” in respect of the Bonds in these Conditions shall, to the extent relevant, be deemed to include any premium payable pursuant to this Condition 8.3.

#### **8.4 Purchases**

The Issuer, any Guarantor or any other member of the Group may at any time purchase Bonds in any manner and at any price. Such Bonds may be held, reissued or resold, or at the option of the Issuer or BCL, surrendered to any Paying Agent for cancellation.

#### **8.5 Cancellations**

All Bonds which are redeemed or purchased by the Issuer, any Guarantor or any member of the Group and surrendered for cancellation in accordance with Condition 8.4 above will forthwith be cancelled, and accordingly may not be held, reissued or resold.

#### **8.6 Notices Final**

Upon the expiry of any notice as is referred to in Conditions 8.2 or 8.3 above the Issuer shall be bound to redeem the Bonds to which the notice refers in accordance with the terms of such Condition.

### **9. Taxation**

#### **9.1 Payment without Withholding**

All payments in respect of the Bonds by or on behalf of the Issuer or any Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of any of the Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Bondholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Bonds in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Bond:

- (a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Bond by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Bond; or
- (b) where such withholding or deduction is imposed in respect of FATCA; or
- (c) where such withholding or deduction for United States federal income taxes would not have been required but for the failure of the holder or beneficial owner to provide upon request a valid U.S. IRS Form W-8 or W-9 (or successor forms) or other documentation as required by official IRS guidance; or

- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Business Day.

## **9.2 Additional Amounts**

Any reference in these Conditions to any amounts in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

## **10. Prescription**

Claims in respect of principal and interest will become prescribed unless made within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Bonds subject to the provisions of Condition 7.

## **11. Events of Default**

### **11.1 Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of the Bondholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) (but, in the case of the happening of any of the events described in subparagraphs (b) to (d) inclusive (other than the winding up or dissolution of the Issuer, any Guarantor or any of the Material Subsidiaries), (e) to (g) inclusive and (k) and (l) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Bondholders) give notice to the Issuer and the Guarantors that the Bonds are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (“**Events of Default**”):

- (a) if default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or
- (b) if the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer or such Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) if (i) any Financial Indebtedness of the Issuer, any Guarantor or any of Material Subsidiaries becomes due and repayable prematurely or becomes capable of being declared due and repayable prematurely in each case by reason of an event of default (however described); or (ii) the Issuer, any Guarantor or any of the Material Subsidiaries fails to make any payment in respect of any Financial Indebtedness on the due date for payment as extended by any originally applicable grace period; provided that the amount of Financial Indebtedness in respect of which one or more of the events mentioned in this paragraph 11.1(c) have occurred

and are continuing, individually or in aggregate exceeds £2,000,000 (or its equivalent in any other currency); or

- (d) (i) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, any Guarantor or any of the Material Subsidiaries; or (ii) if the Issuer, any Guarantor or the Group ceases or threatens to cease to carry on all or substantially all of its business or operations, save (in either case) (x) for the purposes of and followed by a reconstruction, amalgamation, reorganisation, restructuring, merger or consolidation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or (y) in the case of a Material Subsidiary, for the purposes of and followed by a Permitted Reorganisation; or
- (e) the Issuer, any Guarantor or any of the Material Subsidiaries is (or is deemed (other than where a demand is made for less than £1,000,000 under section 123(1)(a) of the Insolvency Act 1986) by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts;
- (f) if:
  - (i) proceedings are initiated against the Issuer, any Guarantor or any of the Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, any Guarantor or any of the Material Subsidiaries or, as the case may be, in relation to the whole or any material part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any material part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any material part of the undertaking or assets of any of them, and
  - (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged or stayed within 45 days,save (x) for the purposes of and followed by a reconstruction, amalgamation, reorganisation, restructuring, merger or consolidation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or (y) in the case of a Material Subsidiary, for the purposes of and followed by a Permitted Reorganisation; or
- (g) if the Issuer, any Guarantor or any of the Material Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save (in any case) (x) for the purposes of and followed by a reconstruction, amalgamation, reorganisation, restructuring, merger or consolidation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Bondholders, or (y) in the case of a Material Subsidiary, for the purposes of and followed by a Permitted Reorganisation; or

- (h) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer or any Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds and the Trust Deed; (ii) to ensure that those obligations are legally binding and enforceable; and (iii) to make the Bonds and the Trust Deed, as the case may be, admissible in evidence in the courts of England is not taken, fulfilled or done; or
- (i) if the Guarantee ceases to be, or is claimed by the Issuer or any Guarantor not to be, in full force and effect; or
- (j) it is or will become unlawful for the Issuer or any Guarantor to perform or comply with any one or more of its obligations under the Conditions; or
- (k) if the Issuer or any Subsidiary Guarantor ceases to be a Subsidiary of BCL; or
- (l) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (d) to (g) above.

## **11.2 Reports**

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

## **12. Enforcement**

### **12.1 Enforcement by the Trustee**

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer and/or any one or more of the Guarantors as it may think fit to enforce the provisions of the Trust Deed and the Bonds or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-fifth in principal amount of the Bonds then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

### **12.2 Limitation on Trustee actions**

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

### **12.3 Enforcement by the Bondholders**

No Bondholder shall be entitled to (i) take any steps or action against the Issuer or any Guarantor to enforce the performance of any of the provisions of the Trust Deed or the Bonds or (ii) take any other

proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or any Guarantor, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

### **13. Replacement of Certificates**

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnify as the Issuer and the Guarantors may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

### **14. Notices**

All notices to the Bondholders will be valid if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar. 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 the relevant authority on which the Bonds are for the time being listed. 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 second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of first publication.

### **15. Substitution**

The Trustee may, without the consent of the Bondholders, agree with the Issuer and the Guarantors to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Bonds and the Trust Deed, of BCL or any other Subsidiaries of BCL subject to:

- (a) the Bonds remaining jointly and severally, unconditionally and irrevocably guaranteed by the Guarantors (other than a Guarantor substituted in place of the Issuer);
- (b) the Trustee being satisfied that the substitution is not materially prejudicial to the interests of the Bondholders; and
- (c) certain other conditions set out in the Trust Deed being complied with.

### **16. Meetings of Bondholders, Modification, Waiver, Authorisation and Determination**

#### **16.1 Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Bonds held or represented by him or them, except that, at any meeting the business of which includes any matter defined in the Trust Deed as a Basic Terms Modification, including the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Bonds for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly

convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Bonds for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Bonds for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Bondholders. An Extraordinary Resolution passed by the Bondholders will be binding on all Bondholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

## **16.2 Modification, Waiver, Authorisation and Determination**

The Trustee may agree, without the consent of the Bondholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, 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 (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

## **16.3 Trustee to have Regard to Interests of Bondholders as a Class**

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (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 Bondholder 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 Bondholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

## **16.4 Notification to the Bondholders**

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Bondholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 14.

## **17. Indemnification and Protection of the Trustee and its Contracting with the Issuer and the Guarantors**

### **17.1 Indemnification and protection of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Guarantors and the Bondholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust

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

## **17.2 Trustee Contracting with the Issuer and the Guarantors**

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any Guarantor and/or any other member of the Group 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 other member of the Group, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **18. Further Issues**

The Issuer is at liberty from time to time without the consent of the Bondholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Bonds) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Bonds) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

## **19. Governing Law and Submission to Jurisdiction**

### **19.1 Governing Law**

The Trust Deed (including the Guarantee), the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

### **19.2 Jurisdiction of English Courts**

Each of the Guarantors has in the Trust Deed, irrevocably agreed (or will be required to agree) for the benefit of the Trustee and the Bondholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Bonds) and accordingly has submitted (or will be required to submit) to the exclusive jurisdiction of the English courts.

Each of the Guarantors has, in the Trust Deed, waived (or will be required to waive) any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. To the

extent permitted by law, the Trustee and the Bondholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed or the Bonds respectively (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Bonds) (together referred to as “**Proceedings**”) against the Issuer or any Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **19.3 Appointment of Process Agent**

Each of the Guarantors incorporated in a jurisdiction other than England and Wales has in the Trust Deed irrevocably and unconditionally appointed (or will be required to appoint) the Issuer at the latter’s registered office for the time being as its agent for service or process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

### **20. Rights of Third Parties**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Bond, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

### **21. Definitions**

In these Conditions:

“**Business Day**” means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place.

“**Cash and Cash Equivalents**” as at any Reference Date shall be equal to the amount recorded as “Cash and cash equivalents” in the relevant Consolidated Financial Statements; minus (ii) any such “Cash and cash equivalents” to which any Excluded Subsidiary is beneficially entitled; and (iii) any such “Cash and cash equivalents” upon which there is any Security Interest.

“**Cash Management Investments**” as at any Reference Date shall be equal to the amount recorded as “Cash management investments at fair value through profit or loss” in the relevant Consolidated Financial Statements; minus (ii) any such “Cash management investments at fair value through profit or loss” to which any Excluded Subsidiary is beneficially entitled; and (iii) any such “Cash management investments at fair value through profit or loss” upon which there is a Security Interest.

“**Consolidated Financial Statements**” means BCL’s audited annual consolidated financial statements or its unaudited semi-annual consolidated financial statements, as the case may be, including the relevant accounting policies and notes to the accounts in each case prepared in accordance with IFRS from time to time.

“**Directors’ Certificate**” means a certificate addressed to the Trustee, signed on behalf of the Issuer or the relevant Guarantor (as the case may be) (but without personal liability) by two directors of the Issuer or the relevant Guarantor (as applicable) or any one director and the secretary of the Issuer or the relevant Guarantor (as applicable).

“**Excluded Financial Indebtedness**” means Financial Indebtedness of any Excluded Subsidiary which is not also Financial Indebtedness of a member of the Group which is not an Excluded Subsidiary.

A report by two directors of BCL or by a director and the secretary of BCL whether or not addressed to the Trustee that in their opinion Financial Indebtedness is or is not or was or was not at any particular

time or throughout any specified period Excluded Financial Indebtedness may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

**“Excluded Subsidiary”** means Burford Lending LLC and its Subsidiaries, provided that BCL may by irrevocable notice to the Trustee permanently deem any entity which could otherwise be an Excluded Subsidiary not to be an Excluded Subsidiary and such entity shall no longer be an Excluded Subsidiary for the purposes of these Conditions.

A report by two directors of BCL or by a director and the secretary of BCL whether or not addressed to the Trustee that in their opinion a Subsidiary of BCL is or is not or was or was not at any particular time or throughout any specified period an Excluded Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

**“FATCA”** means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the **“Code”**) (including an agreement described in Section 1471(b) thereof) together with any regulations thereunder or any official interpretations thereof, any intergovernmental agreement between the U.S. and another jurisdiction facilitating the implementation thereof or any law implementing such an intergovernmental agreement.

**“Financial Adviser”** means a financial adviser selected by the Issuer after consultation with the Trustee.

**“Financial Conduct Authority”** means the United Kingdom Financial Conduct Authority.

**“Financial Indebtedness”** means any indebtedness (other than indebtedness owed by any member of the Group which is not an Excluded Subsidiary to another member of the Group which is also not an Excluded Subsidiary) whether or not contingent, for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate, index or price (and, when calculating the value of any derivative transaction, only the marked-to-market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond or any other instrument issued by a bank or financial institution; and

- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

**“Gross Redemption Yield”** means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Financial Adviser on the basis set out by the UK Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 4, Section One: Price/Yield Formulae “Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published 8 June, 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as the Trustee may approve.

**“Group”** means BCL and its Subsidiaries taken as a whole.

**“Group Net Debt”** means (i) the aggregate of all Financial Indebtedness of the Group (other than Excluded Financial Indebtedness) at the relevant time less (ii) the sum of (x) Cash and Cash Equivalents; and (y) Cash Management Investments (other than any Cash and Cash Equivalents and Cash Management Investments to which any Excluded Subsidiary is beneficially entitled).

**“Group Total Assets”** as at any Reference Date shall be equal to:

- (i) the amount recorded as “Total assets” in the relevant Consolidated Financial Statements; minus
- (ii) the sum (without duplication) of (x) any “Total assets” referred to in (a) above to which any Excluded Subsidiary is beneficially entitled and (y) any goodwill and intangible assets which are included in the “Total assets” referred to in (a) above.

**“IFRS”** means the generally accepted accounting practice and principles applicable to the business BCL conducts, currently International Financial Reporting Standards.

**“Issue Date”** means 1 June 2017.

**“Leverage Ratio”** means the ratio of:

- (a) Group Net Debt; to
- (b) Group Total Assets.

**“Make-Whole Reference Date”** means the date which is three London Business Days prior to the date fixed for redemption pursuant to Condition 8.3 by the Issuer.

**“Material Subsidiary”** means at any time a Subsidiary (other than an Excluded Subsidiary) of BCL:

- (a) whose gross assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of BCL and its Subsidiaries relate, are equal to) not less than 5.00 per cent. of the consolidated gross assets of the Group, all as calculated respectively by reference to the then latest Directors’ Certificate relating to such Subsidiary delivered to the Trustee in accordance with the relevant provisions of the Trust Deed and the then latest audited consolidated accounts of BCL and its Subsidiaries, provided that:
  - (A) in the event that the relevant Subsidiary itself has Subsidiaries which are Excluded Subsidiaries, the gross assets of such Excluded Subsidiaries are excluded from the calculation of the consolidated gross assets of such Subsidiary;

- (B) the gross assets of all Excluded Subsidiaries are excluded from the calculation of the consolidated gross assets of the Group; and
  - (C) in the case of a Subsidiary of BCL acquired after the end of the financial period to which the then latest audited consolidated accounts of BCL and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of BCL and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to the then latest Directors' Certificate relating to such Subsidiary delivered to the Trustee in accordance with the relevant provisions of the Trust Deed, adjusted as deemed appropriate by BCL; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of BCL which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of BCL and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
  - (c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of BCL and its Subsidiaries relate, are equal to) not less than 5 per cent. of the consolidated gross assets of the Group, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets represent (or, in the case aforesaid, are equal to) not less than 5 per cent. of the consolidated gross assets of the Group, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of BCL and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

In accordance with the provisions of the Trust Deed, BCL has agreed to give to the Trustee a Director's Certificate which provides a list of Material Subsidiaries (a) on the Issue Date; (b) within three business days after demand by the Trustee therefor and (c) (without the necessity for such demand) within six months of its most recent financial year-end commencing with the financial period ending 31 December 2016 and within three months of the end of the first half of each financial year commencing with the financial period ending 30 June 2017.

“**Maturity Date**” means 1 December 2026.

“**Payment Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

“**Permitted Reorganisation**” means, in the case of a Material Subsidiary, any reconstruction, amalgamation, reorganisation, restructuring, merger or consolidation the result of which will be that all or substantially all of the assets and undertaking of such Material Subsidiary will be transferred to or otherwise vested in the Issuer, any Guarantor or another Subsidiary of BCL (other than an Excluded Subsidiary).

“**Rating Agency**” means Moody’s Investors Services Limited, Fitch Ratings Ltd. or Standard & Poor’s Credit Market Services Europe Limited (or any of their respective affiliates).

“**Reference Date**” means such annual or semi-annual date or dates as at which BCL prepares its audited annual Consolidated Financial Statements or unaudited semi-annual Consolidated Financial Statements, as the case may be and as at the Issue Date those are 31 December and 30 June in each year, respectively.

“**Reference Bond**” means the 1.5 per cent. Treasury Stock due 2026, or if such stock is no longer in issue such other U.K. government stock with a maturity date as near as possible to the Maturity Date as the Financial Adviser may determine to be appropriate by way of substitution for the 1.5 per cent. Treasury Stock due 2026.

“**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Bondholders by the Issuer in accordance with Condition 14.

“**Relevant Jurisdiction**” means: (i) in the case of the Issuer, the U.K. or any political subdivision or any authority thereof or therein having power to tax; (ii) in the case of BCL, Guernsey or any political subdivision or any authority thereof or therein having power to tax; and (iii) in the case of any Subsidiary Guarantor, any jurisdiction under the laws of which that Subsidiary Guarantor for the time being is organised or in which it is treated as resident for tax purposes or any political subdivision or any authority thereof or therein having power to tax or (in each case) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the relevant Guarantor, as the case may be, is or becomes subject in respect of payments made by it of principal and interest on the Bonds.

“**Step-Up Event**” means that

- (i) any member of the Group (other than an Excluded Subsidiary); or
- (ii) any Financial Indebtedness of any member of the Group (other than Excluded Financial Indebtedness),

is assigned a credit rating solicited by a member of the Group by any Rating Agency and, in either case, the credit rating initially assigned by such Rating Agency is below:

- (a) Ba3 in the case of Moody’s Investors Services Limited (or any of its affiliates);
- (b) BB- in the case of Fitch Ratings Ltd. (or any of its affiliates); or

(c) BB- in the case of Standard & Poor's Credit Market Services Europe Limited (or any of its affiliates)

(or, in each case, their respective equivalent ratings for the time being).

**"Subsidiary"** means a subsidiary within the meaning of Section 1159 of the Companies Act 2006 as amended.

**"U.K."** means the United Kingdom.

**"U.S."** means the United States of America.

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## **APPENDIX 3**

# **SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM IN THE CLEARING SYSTEMS**

**APPENDIX 3**  
**SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM IN**  
**THE CLEARING SYSTEMS**

*The Global Certificate contains provisions which apply to the 5.0 per cent. guaranteed bonds due 2026 to be issued by Burford Capital PLC (the “Bonds”) while they are represented by the Global Certificate, some of which include minor and/or technical modifications to the terms and conditions of the Bonds set out in this Prospectus. The following is a summary of certain parts of those provisions.*

**1. Payments of principal and interest**

Payments of principal and interest in respect of Bonds represented by the Global Certificate will, subject as set out below, be made upon presentation and, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the holders of the Global Certificate (the “**Bondholders**”) for such purposes.

Distributions of amounts with respect to book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

A record of each payment made will be endorsed on the appropriate schedule to the Global Certificate by or on behalf of the Registrar, which endorsement shall be prima facie evidence that such payment has been made in respect of the Bonds.

In the case of Bonds which are represented by the Global Certificate, interest shall be calculated in respect of any period by applying the rate of interest to the aggregate outstanding principal amount of the Bonds represented by the Global Certificate and multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest penny, half of penny being rounded upwards or otherwise in accordance with applicable market convention.

**2. Notices to Bondholders**

For so long as all of the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders. The relevant notice will be delivered electronically by Euroclear and/or Clearstream, Luxembourg to CREST which will arrange for electronic delivery of such notice to CDI Holders who hold interests in the underlying bonds through CREST (in accordance with the rules and procedures of CREST at the time that such notice is given), rather than by publication as required by Condition 14 (Notices) provided that, so long as the Bonds are admitted to the official list maintained by the Financial Conduct Authority (the “**FCA**”) and admitted to trading on the London Stock Exchange plc’s market for listed securities, all requirements of the FCA have been complied with. Any such notice shall be deemed to have been given to the Bondholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

**3. Accountholders**

For so long as all of the Bonds are represented by the Global Certificate and the Global Certificate is registered in the name of a nominee (the “**Relevant Nominee**”) of the common depository for 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 Clearstream, Luxembourg as the holder of a particular principal amount of such Bonds (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Bonds for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal and interest on such principal amount of such Bonds, the right to which shall be vested, as against the Issuer, the Guarantor and the Trustee, solely in the Relevant Nominee in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Relevant Nominee.

#### **4. Cancellation**

Cancellation of any Bond represented by the Global Certificate and required by the Terms and Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by reduction in the principal amount of the Bonds in the register of Bondholders and by the annotation of the appropriate schedule to the Global Certificate.

#### **5. Registration of Title**

Registration of title to Bonds in a name other than that of the Relevant Nominee will not be permitted unless Euroclear or Clearstream, Luxembourg notifies the Issuer and the Guarantor that it is unwilling or unable to continue as a clearing system in connection with the Global Certificate, and a successor clearing system approved by the Trustee is not appointed by the Issuer and the Guarantor within 90 days after receiving such notice from Euroclear or Clearstream, Luxembourg. In these circumstances title to a Bond may be transferred into the names of holders notified by the Relevant Nominee in accordance with the Conditions, except that Certificates in respect of Bonds so transferred may not be available until 21 days after the request for transfer is duly made.

The Registrar will not register title to the Bonds in a name other than that of the Relevant Nominee for a period of 15 calendar days preceding the due date for any payment of principal, or interest in respect of the Bonds.

Whilst the Bonds are represented by the Global Certificate payments will be made to the holder appearing on the Register at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) preceding such due date.

#### **6. Transfers**

Transfers of book-entry interests in the Bonds will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

#### **7. Trustee’s Powers**

In considering the interests of Bondholders while the Global Certificate is held on behalf of the relevant Clearing System the Trustee may have regard to any information provided to it by such relevant Clearing System or its operator as to the identity (either individually or by category) of its Accountholders with entitlements to the Global Certificate.

**8. Euroclear and Clearstream, Luxembourg**

References in the Global Certificate and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

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## **APPENDIX 4**

# **DOCUMENTS INCORPORATED BY REFERENCE**

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**DOCUMENTS INCORPORATED BY REFERENCE**

The following documents (excluding all information incorporated by reference in any such documents either expressly or implicitly) which have previously been published or are published simultaneously with this Prospectus and have been approved by the Financial Conduct Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (i) the Guarantor's audited consolidated financial statements for the financial year ended 31 December 2015 (including the audit reports issued in respect thereof), which appear on pages 21 to 47 of the annual report for the year ended 31 December 2015;
- (ii) the Guarantor's audited consolidated financial statements for the financial year ended 31 December 2016 (including the audit reports issued in respect thereof), which appear on pages 31 to 62 of the annual report for the year ended 31 December 2016;
- (iii) the Issuer's audited financial statements for the financial year ended 31 December 2015 (including each of the audit reports issued in respect thereof); and
- (iv) the Issuer's audited financial statements for the financial year ended 31 December 2016 (including each of the audit reports issued in respect thereof).

For the avoidance of doubt, any documents or information incorporated by reference in the documents listed above shall not form part of this Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus. Where reference is made to a website in this Prospectus, the contents of that website shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus are available on the website of the London Stock Exchange plc at [www.londonstockexchange.com/exchange/news/marketnews/market-news-home.html](http://www.londonstockexchange.com/exchange/news/marketnews/market-news-home.html).

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