

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2003**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **333-08354**

Reuters Group PLC

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

England

(Jurisdiction of incorporation or organization)

85 Fleet Street, London EC4P 4AJ, England

(Address of Principal Executive Offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Ordinary Shares of 25p each

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares of 25p each	1,432,540,899
Founders Share of £1	1

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17

Item 18

In depth

Reuters Annual Report and Form 20-F 2003



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Contents

1	Financial highlights	55	Consolidated balance sheet
2	From the Chairman	56	Reconciliation of movements in shareholders' funds
3	Chief Executive's review	57	Notes on the consolidated balance sheet
4	Five and three year summaries	71	Balance sheet of Reuters Group PLC
5	Selected financial data		Notes on the balance sheet of Reuters Group PLC
6	Company information	72	Accounting policies
11	Directors' report	74	Summary of differences between UK and US Generally Accepted Accounting Principles (GAAP)
12	Directors and senior managers	77	Notes on summary of differences between UK and US Generally Accepted Accounting Principles (GAAP)
14	Corporate governance	80	Information for shareholders
17	Remuneration report	92	Eleven year consolidated financial summary
25	Statement of directors' responsibilities	93	Cross reference guide to Form 20-F
26	Independent auditors' report to the shareholders of Reuters Group PLC	95	Glossary
27	Operating and financial review	96	Financial diary for 2004
42	Consolidated profit and loss account		Where to find us
	Consolidated statement of total recognised gains and losses		
43	Notes on the consolidated profit and loss account		
49	Consolidated cash flow statement		
50	Notes on the consolidated cash flow statement		

Financial highlights

Reuters Group

	2003 £m	2002 £m	% Change
Revenue	3,197	3,575	(11%)
Operating profit/(loss)	126	(144)	–
Profit/(loss) before tax	49	(493)	–
Profit/(loss) after tax	27	(516)	–
Return on equity	13.3%	(58.4%)	–
Net debt	(77)	(66)	17%
<hr/>			
Basic earnings/(loss) per ordinary share	3.1p	(29.0p)	–
Diluted earnings/(loss) per share	3.0p	(29.0p)	–
Earnings/(loss) per ADS ^{1,2}	32.9c	(309.4c)	–
Dividends per ordinary share	10.0p	10.0p	–
Dividends per ADS ¹ (see page 83)	60.0p	60.0p	–

1 Each American Depositary Share represents six ordinary shares.

2 A nominal exchange rate of US\$1.78= £1 has been used for convenience.

This report comprises the annual report of Reuters Group PLC in accordance with the United Kingdom requirements and its annual report on Form 20-F in accordance with the requirements of the United States Securities and Exchange Commission (SEC) for 2003. A cross reference guide setting out the information in this report that corresponds to the Form 20-F items is provided on pages 93-94.

As used in this report, 'Reuters Group' and 'Group' refer to Reuters Group PLC and its subsidiary undertakings, including Instinet Group Incorporated (Instinet Group), joint ventures and associates. The 'company' refers to the parent Reuters Group PLC. 'Reuters' refers to Reuters Group excluding Instinet Group.

The consolidated financial statements of Reuters Group included in this report are presented in pounds sterling (£). On 31 December 2003, the noon buying rate in New York City for cable transfers in foreign currencies as announced for customs purposes by the Federal Reserve Bank of New York (Noon Buying Rate) was US\$1.78= £1; on 3 March 2004 the noon buying rate was US\$1.82= £1. For additional information on exchange rates between the pound sterling and the US dollar, see exchange rates on page 89.

Reuters Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United Kingdom (UK GAAP). UK GAAP differ in certain respects from accounting principles generally accepted in the United States (US GAAP). The material differences between UK GAAP and US GAAP relevant to Reuters Group are explained on pages 74-76.

This report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Reuters Group's financial condition, results of operations, business and management strategy and plans and objectives. For a discussion of risks associated with these statements see 'Risk factors' on pages 40-41.

Reuters, the sphere logo and Reuters product names referred to in the report are trade marks or registered trade marks of the Reuters Group of Companies around the world. Other trade marks of third parties are used in this report for the purpose of identification only.

From the Chairman

This is my 19th and last annual Chairman's statement. Some perspective is in order.

First, and most important, I am more confident now than I have ever been that Reuters strategy is matched by its ability to implement. The focusing and transforming process which Tom Glocer and his executive team are so ably managing is absolutely necessary to make Reuters properly competitive in its core business. This, in turn, is a prerequisite for expansion in the financial industry or, for that matter, outside of it. I stressed last year the Board's belief in management's performance. Since then a great deal more has been accomplished, as this annual report illustrates. Success with Fast Forward cannot be taken for granted. But the omens are good.

Throughout my time as Chairman two related factors have profoundly affected Reuters strategy and its implementation: Reuters long history as a news agency, prior to its explosive growth in the finance industry; and the Reuters Trust Principles.

The management skills and experience required to run a leading news agency can be characterised as deep but narrow. Nevertheless, the native Reuters management rose exceptionally well to the challenge of rapidly expanding the business to meet the demand generated in the financial markets by the pioneering Reuters electronic network. As a result, profits

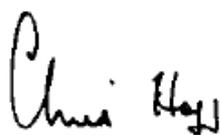
in the 1980s increased nearly a hundredfold. The 1990s, however, confronted Reuters management with two even more difficult challenges: first, managing and disciplining an organisation far larger than in 1979 and one flushed with success; and, secondly, sustaining Reuters growth as its original competitive edge diminished.

The 1990s were therefore a decade of experiment, learning and adjustment. Forward momentum was maintained but with increasing difficulty in Reuters core business. The Board and executive wrestled with new and large problems in managing the complexity of the business and in responding to competition, to the coming of the internet, and to big changes in the financial industry. Mistakes were made but good things also occurred: Reuters was never seduced by the mirage of 'the transforming acquisition'; substantial surplus cash was returned to shareholders; and, most important of all, learning from experience continued and led ultimately to the leadership and strategy now in place.

The Reuters Trust Principles, first articulated in 1941 to describe Reuters purpose, stand for objectivity and independence in reporting facts and events. They have remained pervasive in the business ever since, notwithstanding its great expansion in the financial industry. They have been a force for growing Reuters organically and have caused us to be wary of forward

integration in the media world, seeing this as a temptation to move from being the servant of truth to being its master. We do acknowledge, however, that mastery does not necessarily mean manipulation; and that opinion can be unbiased. The Reuters Trust Principles will not deter evolution of Reuters strategy but objectivity and independence in reporting and communication will remain paramount.

I warmly welcome my successor, Niall FitzGerald, who brings great international perspective and commercial experience, and I thank all my Board colleagues over the years for their unfailing support, especially John Craven for his valuable assistance in the task of leading the Board. I also gratefully acknowledge on the Board's behalf the patience, commitment and skill shown by all those working for the continuing health and development of Reuters, in which I have great confidence.



Sir Christopher Hogg
Chairman

Chief Executive's review

I shall remember 2003 as the year in which our Fast Forward transformation programme was launched and we began to see the first signs of its benefits in our product line, customer service and cost base.

Chris Hogg, in his last Chairman's statement, has stated his confidence in our future and the importance of the Reuters Trust Principles in shaping our history. Were he a less modest man he would have allowed me to pay him the tribute he deserves in these pages.

My challenge remains how to transform Reuters, not only our cost base and products, but also our culture, without damaging the core values which sustain us: the pursuit of truth, freedom from bias, objectivity and global perspective. In 2003 I began to see the evidence that this was indeed possible.

In terms of financial results, we returned the Group to profit, while exceeding our Fast Forward savings targets and improving the operating margin (pre-restructuring) of the core Reuters business. The dividend, which at the beginning of the year many feared could not be maintained, was covered by Reuters earnings and operating cash flow.

In the product line, we fulfilled an interim Fast Forward goal of taking the number of information products down from a confusing 1,300 to 550 and we introduced a host of new products to enthusiastic market reception. New versions of 3000 Xtra and BridgeStation convinced customers that we have a strong premium tier offer, and we sold 18,000 new units of 3000 Xtra. In the mid tier, we introduced the easy-to-use Reuters Trader and Reuters Knowledge and integrated the targeted products we obtained in the Multex acquisition. Finally, we made great strides in our Enterprise business by establishing the role of Reuters Market Data System as the market standard in trading room systems and achieving strong growth in our risk management and enterprise information products.

2003 was also the year in which we reversed a trend of recent years and significantly improved Reuters customer service, as borne out by objective client feedback through our customer satisfaction index. This is one facet of culture change at Reuters which I will pursue without apology.

As part of the Fast Forward drive to simplify and streamline Reuters business, we made considerable progress in the

portfolio, selling or closing 17 non-strategic units in 2003, 73 since the beginning of 2002, and concentrating our efforts on our four principal holdings: Factiva, Instinet Group, Radianz and TIBCO Software Inc. (TSI). In February 2004 we completed the sale of the majority of our interest in TSI, realising US\$563 million (£311 million) in net proceeds which we applied to strengthen the Reuters balance sheet. We continue to work closely with the remaining large units to build their value, achieve operating synergies with the rest of the Group and ultimately crystallise value for Reuters shareholders.

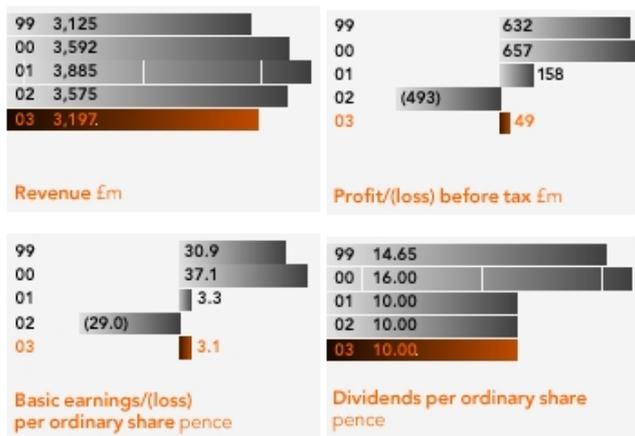
Despite my positive sense of achievement for the work done in 2003, I have two great regrets. We lost Mazen Dana and Taras Protsyuk, two brave Reuters cameramen, at the hands of US forces in Iraq. While these deaths may be attributed to the 'fog of war', I still regret that, despite much trying, I have been unable to do more to protect Reuters and other journalists in war zones.

This unfinished business tempers my sense of accomplishment for 2003 and also puts it in perspective.



Tom Glocer
Chief Executive

Five year summary



Three year Reuters customer segments and Instinet Group revenue summary



Selected financial data

The selected financial information set out below is derived, in part, from the consolidated financial statements. The selected data should be read in conjunction with the financial statements and related notes, as well as the Operating and financial review.

The consolidated financial statements are prepared in accordance with UK GAAP, which differ in certain respects from US GAAP. For a summary of the material differences between UK and US GAAP and related information relevant to Reuters Group, see pages 74-79 of this report.

Consolidated profit and loss account

for the year ended 31 December

	Notes below	2003	2002	2001 £m (except per share data)	2000	1999
Amounts in accordance with UK GAAP:						
Revenue		3,197	3,575	3,885	3,592	3,125
Operating profit/(loss)		126	(144)	302	411	549
Profit/(loss) on ordinary activities before taxation		49	(493)	158	657	632
Profit/(loss) on ordinary activities after taxation		27	(516)	51	521	436
Basic earnings/(loss) per ordinary share		3.1p	(29.0p)	3.3p	37.1p	30.9p
Diluted earnings/(loss) per ordinary share		3.0p	(29.0p)	3.2p	36.5p	30.4p
Basic earnings/(loss) per ADS		18.5p	(173.8p)	19.7p	222.8p	185.7p
Diluted earnings/(loss) per ADS		18.2p	(173.8p)	19.3p	219.1p	183.1p
Dividends declared per ordinary share	1	10.0p	11.1p	11.1p	17.8p	16.3p
Dividends declared per ADS:	1					
Expressed in UK currency		60.0p	66.7p	66.7p	106.7p	97.7p
Expressed in US currency	2	103.2c	105.1c	95.6c	157.7c	154.6c
Weighted average number of ordinary shares (in millions)		1,396	1,395	1,404	1,404	1,409

Amounts in accordance with US GAAP:

Revenue		3,383	3,771	4,045	3,704	3,182
Operating (loss)/profit		(21)	(293)	(217)	458	426
(Loss)/income before taxes on income		(73)	(255)	205	652	622
Net (loss)/income		(38)	(127)	92	534	451
Basic (loss)/earnings per ordinary share		(2.7p)	(9.0p)	6.6p	38.0p	32.0p
Diluted (loss)/earnings per ordinary share		(2.7p)	(9.0p)	6.5p	37.4p	31.6p
Basic (loss)/earnings per ADS		(16.3p)	(54.3p)	39.5p	228.1p	192.1p
Diluted (loss)/earnings per ADS		(16.3p)	(54.3p)	38.7p	224.3p	189.5p
Dividends declared per ordinary share	1	10.0p	11.1p	18.0p	16.3p	16.3p
Dividends declared per ADS:	1					
Expressed in UK currency		60.0p	66.7p	108.0p	97.7p	97.7p
Expressed in US currency	2	105.1c	99.6c	155.3c	150.8c	156.4c
Weighted average number of ordinary shares (in millions)		1,396	1,395	1,404	1,404	1,409

Consolidated balance sheet data

at 31 December

	2003 £m	2002 £m	2001 £m	2000 £m	1999 £m
Amounts in accordance with UK GAAP:					
Total assets	2,943	3,524	4,538	3,870	2,714
Long-term debt and provisions for charges (excluding deferred tax)	663	572	526	394	349
Net assets	481	727	1,273	1,153	663
Shareholders' equity	286	496	1,109	1,153	663
Share capital	358	358	358	357	355

Amounts in accordance with US GAAP:

Total assets	3,000	3,510	4,373	3,783	3,173
Long-term debt	568	552	572	458	362
Net assets	447	770	1,125	1,186	1,109
Shareholders' equity	245	528	959	1,186	1,109

1. Under UK GAAP dividends declared are those declared in respect of the year for which selected financial data is presented. Under US GAAP dividends declared are those formally declared within each calendar twelve-month period. Dividends declared for 1999-2002 include UK tax credits. Dividends declared for 2003 exclude UK tax credits. Amounts receivable

could be higher for US shareholders who have elected to retain the benefits of the old US/UK tax treaty. For further information relating to dividends and the UK taxation of dividends see pages 83 and 89.

2. Dividends expressed in US\$ have been converted at the actual exchange rates used in the payment of dividends to US shareholders, except that the final dividend declared in respect of 2003, payable to US ADS holders on 6 May 2004, has been converted at the Noon Buying Rate on 3 March 2004 for convenience.

Company information

Business overview

The Reuters Group includes the core Reuters information business and Instinet Group, a 63% owned public subsidiary, which operates the largest global electronic agency securities brokerage.

Reuters, the global information company, provides information and software applications tailored for professionals in the financial services, media and corporate markets. Reuters information is trusted and drives decision making across the globe based on Reuters reputation for speed, accuracy and independence. At 31 December 2003, Reuters had 15,500 staff in 92 countries, including some 2,400 editorial staff in 197 bureaux serving approximately 130 countries. Instinet Group had approximately 1,200 employees in eight countries. In 2003, the Reuters Group had revenues of £3.2 billion.

Reuters strategy

In February 2003, Reuters launched Fast Forward, a three-year programme intended to strengthen Reuters core information business and address the impact of structural changes in the financial services industry. The six principal components of the Fast Forward programme and their achievements to date are:

- 1 Make Reuters information indispensable**, by acquiring new content and improving the quality and usability of existing content. During 2003, Reuters added new company fundamental data and investment research through its acquisition of Multex. Other significant information enhancements included JJ Kenny non-taxable municipal securities data and exclusive distribution rights to GFI's credit default swaps prices. In addition, fund managers can now use Barra™, the leading source of buy-side risk analytics, to do pre-trade risk analysis on their Reuters 3000 Xtra and BridgeStation workstations. During 2003, JP Morgan Chase and Deutsche Bank started to use Reuters as a neutral distribution partner for their trading applications, and CSFB is working with Reuters to distribute its fixed income data and analytics. Reuters also signed agreements to allow interoperability for users of Reuters Messaging with users of AOL, IBM, Lotus and Microsoft's instant messaging services.
- 2 Move to a new business architecture and business operating model**, radically simplifying the way products are delivered by the use of simpler business processes and migration over time to a single, global technology platform. During 2003, Reuters made good progress in this area and began rolling out next generation products and services.
- 3 Simplify and segment the product line**, supplying the right product at the right price to profitable target markets worldwide. Since March 2002, Reuters has withdrawn approximately 750 products from sale leaving some 550 today, with another 150 products to be removed by the end of 2004. By the end of 2005, Reuters aims to have highly segmented desktop information and transaction products designed for specific workflow requirements of its target customer segments. Reuters segmented product line took shape during 2003 with the launch of Reuters Trader, a mid-tier product for sales and trading professionals, and Reuters Knowledge for the research and advisory community.
- 4 Focus our solutions business around our core areas of expertise** – risk management, market data distribution systems and treasury solutions. Reuters announced in February 2003 that it would no longer sell systems integration and custom development consulting and, as a result, eliminated several hundred consulting roles and obsoleted sub-scale software products. In October 2003, Reuters entered into a new commercial agreement with TIBCO Software Inc. (TSI), and announced its intention to reduce its 48% stake in that company. In February 2004, Reuters reduced its stake to 8.8% through a combination of a public offering and a sale of shares back to TSI for aggregate net proceeds of approximately £311 million. Reuters will phase out its role as a general reseller of TSI products through March 2005, but retains exclusive rights to sell market data systems and risk management products for the financial services market until May 2008. In October 2003, Reuters and Accenture announced that Accenture will supply systems integration services

- 5 Reduce and reshape our cost base**, redirecting investment into key areas such as customer service and new product development, reaping the benefits of global scale, reducing staff costs and driving higher operating margins through greater scalability. Reuters delivered £75 million of net cost savings from Fast Forward in 2003, and remains focused on delivering a total of £440 million annualised cost savings by the end of 2005. While Reuters continues to add staff in key areas of focus such as client training, front line customer support and the new development centre in Bangkok, over 1,500 people left Reuters during 2003.

- 6 Reinvigorate culture and behaviour**. Reuters focus on a simpler and more competitive product line, combined with a commitment to improving customer service, is starting to show results. Customer satisfaction improved for two successive quarters in the latter part of 2003. Reuters remains focused on delivering further and sustained improvements in this area. Moreover, Reuters has announced that it will move the majority of its London staff from various office locations to Canary Wharf in 2005, having seen its New York operation become more aligned and customer service oriented when it moved to a single office in Times Square. In addition to the similar benefits of having most of its London staff under one roof, Reuters expects to generate annual cost savings of £5 million from the move.

Reuters markets drive its organisational structure

Reuters operates its business through customer segments, geographic sales and service channels and shared resources to build, deploy and support the products and services its customers need.

Customer Segments. Effective from 1 January 2004, Reuters has refined the structure of its segments to more closely match the communities they service. The Treasury Services, Asset Management, Investment Banking and Corporates and Media segments have been re-aligned into the following four customer segments based on the shared needs and requirements of the customers that Reuters serves: Institutional Sales & Trading, Asset Management & Research, Enterprise and Media. These communities are reinforced by the growth in the use of Reuters Messaging as a key communication tool. Revenues for the three years to 31 December 2003 are analysed in accordance with the previous segment structure in the Operating and financial review on pages 34-35 and in note 1.

Institutional Sales & Trading focuses on Reuters core business among its sales and trading end-users dealing in the foreign exchange, fixed income, equities, commodities and energy and related markets. This segment concentrates on both the buy-side and the sell-side of the trade, delivering world class cross-asset trading data, news, analytics and transactions capability.

Asset Management & Research focuses on supporting end-users such as portfolio managers, wealth managers, investment bankers and research analysts, who are making complex financial decisions outside the core sales and trading environment. The strategy for growth is built on key new products and capabilities that have been delivered within the Knowledge and Wealth Manager product families described below. In addition, Barra™ risk analytics are now included in the top tier Xtra family of products and Reuters Portfolio Management System.

Enterprise targets the complete business enterprise as a customer, as distinct from the end-user. As such, this segment focuses on Reuters business in enterprise information distribution systems (Reuters Market Data System and real-time datafeeds), risk and enterprise information products (EIP). EIP, which includes non real-time datafeeds covering end-of-day and intra-day instrument prices, corporate actions, price histories, terms and conditions and reference data, is targeted as being one of the major growth areas in 2004.

Media focuses on Reuters wholesale media business, serving the needs of the world's newspapers, television and cable networks, radio stations, websites and consumers, as well as working to create a new avenue of growth for Reuters in direct-to-consumer products, principally through reuters.com.

for Reuters products globally, giving Reuters customers access to Accenture's skilled consultancy team and creating an additional sales channel for Reuters products.

Products and services

Close to half a million financial professionals across the globe each day receive market data, in-depth news, quotes, statistics and analytics on financial and commodities markets from Reuters. Known for its expertise in journalism, Reuters is also the largest financial information provider in the world with annual sales of £2.7 billion in 2003.

Relying on its considerable experience in the financial information industry and incorporating advanced technologies, Reuters has played an important role in redefining this rapidly changing industry and, as a result, provides a wide range of products and services that offer content, analytics, communities and openness to help customers succeed.

Reuters products and services deliver information and allow customers to view, manage, manipulate and engage in transactions based on it. Financial information is collected from an array of sources such as exchanges, over-the-counter markets, research services and other contributors such as energy and fixed income providers, as well as from Reuters own news, research and data operations, and is available through various delivery platforms such as workstations, datafeeds and internet solutions. Customers can engage in foreign exchange and money markets transactions with access to a community of approximately 17,000 traders, and can use Reuters large order routing network to gain electronic access to a variety of brokers. In addition, Reuters offers enterprise solutions to help customers better manage risk, trade processing, financial content and internal business processes throughout their organisation.

Product families. To deliver on the Fast Forward initiative to simplify and segment its product line, Reuters has grouped its desktop information and transaction products into four product families aligned with distinct customer needs and communities, and is working to reduce its desktop offerings to under 50 by the end of 2005. All desktop information and transactions products are being grouped into one of four 'product families', with a distinct brand and set of attributes, and serving the needs of a distinct set of customers as defined by the customer segments:

Xtra – This product family is targeted at the most sophisticated end-users, such as those within sales and trading and portfolio management. It includes cross-asset class information, advanced integrated analytics and transactional capabilities, extensive customisability, the ability to import and integrate proprietary or third party data or analytics; and the ability to take content out of the Reuters desktop for further manipulation and analysis. Users are provided with both ready-made models and decision-making tools. There are currently a number of products in this family with all or most of these capabilities, but it is planned to migrate eventually to a single offer with a small variety of optional extras. The Xtra family is primarily targeted to and managed by the Institutional Sales & Trading segment, but also complements the Asset Management & Research segment's portfolio of products.

Trader – This product family is targeted at sales staff and traders who do not need the sophistication and full integration capability offered in the Xtra family. The Trader family includes a number of current and recently launched offerings, sold as Reuters Trader, and ultimately will include a variety of segmented products to serve the needs of a majority of Institutional Sales & Trading customers on the trading floor and other users who focus on domestic and regional financial instruments.

Knowledge – This product family is targeted at the research and advisory business (including investment bankers and analysts), portfolio managers, and others focused on company-specific research. Products such as Reuters Knowledge offer an integrated package of both public and proprietary fundamental content that supports company-specific analysis, along with basic access to markets information, news and other content. There are currently three product packages targeted to distinct end-user groups: investment banking, portfolio managers and corporate clients.

Wealth Manager – This family of products is designed for private client advisors of affluent and high net worth individuals, as well as retail brokers. These customers focus more on portfolio information and managing relationships with their clients than on real-time trading

Subscribers

Reuters products and services are generally billed by reference to the number of user accesses to datafeeds, portable devices and terminals. The number of accesses for Reuters at the end of the last three years are shown below:

	31 December		
000s	2003	2002	2001
Premium products*	103	93	84
2000/3000 series	70	98	134
Mid and lower tier	254	302	374
Total	427	493	592

*Premium products include 3000 Xtra, Dealing and BridgeStation.

Geographic sales and service channels

Reuters serves its customers through a global sales and service channel split into regions: (the Americas; Europe, Middle East and Africa; and Asia Pacific), and the Focus Group Accounts which serve Reuters very largest global customers. Locally, members of the sales and service teams work with customers to build global and local relationships and to identify the correct product solution to meet customer needs. Through regular training visits our customer training staff work with end-users to ensure they get full value from the products they use. In addition to the local support, Reuters provides end-users with 24/5 help desk service and pro-active telephone support out of three regional support hubs, one based in each of the time zones. All sales channels fulfil a crucial role supplying feedback to the customer segments on how products are working and how they can be enhanced to meet future customer needs.

Revenues for the three years to 31 December 2003 are analysed by segment on pages 34-35 of the Operating and financial review and by geography and by segment on pages 43-44 in note 1 on the consolidated profit and loss account.

Reuters Centres of Excellence

Reuters future success and profitability depends on its ability to use its global reach and scale to create and deliver fast and accurate information that is free from bias. Support is provided to the business through shared Centres of Excellence providing specialist services. In conjunction with the segment restructuring, these centres have also been restructured and now constitute Operations & Technology, Content and Corporate Services.

Operations & Technology builds and operates Reuters products and services aligned with customer segment strategies. This group manages Reuters data centres, development centres, central systems and distribution networks, including relationships with Reuters major telecommunications suppliers, so that Reuters can offer fast, accurate performance to customers across the world. It includes the Chief Technology Officer, whose role is to drive common architecture and bring innovation into the business through technology leadership, and the Chief Information Officer, whose role is to establish a strong, consistent internal IT strategy across Reuters.

Content brings together all Reuters editorial and data operations, including the acquisition, generation, production, packaging and delivery of news, research, data and other information, whether numerical, textual, graphical, photographic or audio-visual. It includes the editorial group, whose role is to cover and edit the news to the highest standards of accuracy and timeliness so as to meet the needs of Reuters customers. Reuters news has been a benchmark of excellence for more than 150 years and underpins its reputation for speed and accuracy, freedom from bias and global reach. In numeric data operations, Reuters recently opened a major English-language content centre in Bangalore, India to help meet customer demand for new content while at the same time reducing cost. Initial plans are in place to support over 300 roles in Bangalore by the end of 2004, with live production commencing in April 2004.

information. They require products with a high degree of integration with their in-house systems. The Wealth Manager family includes portfolio management and both global and domestic market intelligence products.

Company information continued

Corporate Services provides functional expertise based on globally applied standards for the whole of Reuters. These groups include Finance, Human Resources, Corporate Communications, Business Programmes (which includes the Fast Forward programme) and the General Counsel's Office (including Legal, Compliance and Internal Audit).

Communications networks, technology and equipment

Reuters uses multiple communications networks for distribution of its products. During 2003, Reuters continued to migrate its main product sets on to global IP-based networks principally provided by Radianz Limited (Radianz), its joint venture with network services provider Equant BV (Equant) in order to deliver greater resilience, speed and capability.

Reuters has major technical centres in five locations, supported by many smaller local data centres. The data centres are linked by communications services provided by Radianz and SAVVIS Communications Corporation (Savvis), using dedicated international communications circuits that rely on satellite links, optical fibre cables and coaxial cables. Radianz leases these circuits from various governmental and private telecommunications operators including Equant. Communications between data centres and subscribers are provided by Radianz in 20 countries and by Reuters directly or third parties elsewhere. For further information regarding Radianz and the relationship between Reuters Group and Radianz, see page 87.

The services agreements with Radianz and with Savvis are important to the Group's capability to deliver products and services to customers. Although reasonable steps are taken to ensure continuity of service, any failure or interruption of such systems could have a significant effect on the Group's business (see 'Risk factors' on page 40-41). A summary of these network services agreements is given on page 87.

Instinet Group

Instinet Group is the largest global electronic agency securities broker and has been providing investors with electronic trading solutions and execution services for more than 30 years. Instinet Group provides sophisticated electronic trading solutions and execution services to enable buyers and sellers worldwide to trade securities directly and anonymously with each other. Instinet Group also gives its customers the opportunity to use sales-trading expertise and sophisticated technology tools to interact with global securities markets, improve their trading and investment performance and lower their overall trading costs. Through its electronic platforms, Instinet Group's customers also can access other US trading venues, including Nasdaq, the New York Stock Exchange (NYSE), and almost 30 securities markets throughout the world, including stock exchanges in Frankfurt, Hong Kong, London, Paris, Sydney, Tokyo, Toronto and Zurich. Instinet Group's customers primarily consist of broker-dealers and institutional investors, such as mutual funds, pension funds, insurance companies and hedge funds.

Since the fourth quarter of 2003, Instinet Group has been implementing a business restructuring plan to establish two distinct business lines:

- Instinet, the Institutional Broker, which serves US and international institutional customers including customers of Lynch, Jones & Ryan, Instinet Group's commission recapture subsidiary; and
- INET SM, Instinet Group's electronic communications network (ECN) that combines the US broker-dealer order flow of the Instinet ECN and the Island ECN and serves Instinet Group's US broker-dealer customers. INET also includes its clearing broker, Instinet Clearing Services, Inc.

This reorganisation was substantially completed in February 2004.

Joint ventures and associates

Reuters principal joint ventures and associates include:

TIBCO Software Inc. TSI provides total business integration solutions delivering infrastructure software that enables organisations to integrate their business systems in real-time. In 1999, TSI completed an initial public offering of its common stock on the Nasdaq Stock Market (symbol TIBX.O).

In October 2003, Reuters announced it had entered into revised commercial arrangements with TSI and intended to reduce its 48% stake in TSI, including an agreement by TSI to repurchase US\$115 million worth of its shares from Reuters. On 3 February 2004, Reuters completed a public offering of 69 million TSI shares. The offering and the accompanying repurchase by TSI resulted in aggregate net proceeds of approximately £311 million for a net profit of approximately £155 million, and reduced Reuters stake in TSI to 8.8%. In addition, Reuters no longer has the right to nominate directors to TSI's board. Reuters Group does not consolidate TSI for accounting purposes and beginning in 2004, will no longer account for TSI as an associate.

Radianz. Radianz, the joint venture with Equant, was formed in 2000 to develop a secure extranet network for use by the financial services industry. Reuters owns 51% of the company, but shares voting control and therefore does not consolidate Radianz as a subsidiary for accounting purposes. Radianz connects all categories of market participants: brokers, institutions, exchanges, custodians, and clearing and settlement houses. During 2003, Radianz continued to grow the number of connections on its RadianzNet service and to demonstrate the cost advantage to customers of consolidating multiple services onto a single connection.

Factiva. Factiva is a 50% owned joint venture with Dow Jones formed in 1999. It provides a broad range of global news and a deep historical archive of business information. Through its products and technology solutions, Factiva enables enterprises to retrieve information and integrate it into their business applications and intranet portals. Factiva's business information includes Reuters and Dow Jones newswires, plus nearly 8,000 other newspaper and periodical sources and 8,500 business-oriented websites from around the world, delivered in 22 languages. These sources provide current news, historical articles, photographs, market research and investment analyst reports, and stock quotes. Factiva's primary audience consists of information professionals and researchers, with around 70% of their revenue derived from sources outside the financial services sector. Reuters is a major distributor of Factiva content within the financial services sector. Reuters Group does not consolidate Factiva for accounting purposes.

Competitors

The Group faces significant competition in all market sectors and geographical areas in which it operates.

Competing information products for the financial markets are offered by Bloomberg, Thomson Financial, a division of The Thomson Corporation, Quick Corporation of Japan, Telekurs, IDC, Dow Jones, Sungard, Moneyline Telerate and Factset, plus a number of smaller local and regional competitors.

The Lipper funds information business competes with Morningstar, the Micropal unit of Standard & Poor's, a division of the McGraw-Hill Companies, Value Line and Thomson Corporation's CDA Weisenberger.

Reuters foreign exchange spot dealing services compete with the Electronic Broking Service and Bloomberg, which have recently formed an alliance in this area. Reuters money and foreign exchange transaction products also compete with voice brokers in the relevant markets.

Competitors in the supply of risk products and market data systems include Misys, Sungard Data Systems, CSK Software and a large

Instinet Group completed an initial public offering in May 2001 and its common stock is listed on the Nasdaq Stock Market (symbol INGP.O). As a result of the initial public offering as well as acquisitions in which Instinet Group shares were used as consideration, the largest of which was the purchase of Island ECN in 2002, Reuters Group's shareholding of Instinet Group is now approximately 63%.

number of other vendors.

Reuters main competitors in the supply of news to the media are Associated Press, Agence France Presse, Dow Jones and Bloomberg News.

Instinet Group competes with the following, among others: market makers and other traditional broker-dealers acting as agent or principal; traditional and electronic trading methods in use on US and international exchanges, including NYSE specialists and the electronic matching systems of international exchanges; the trading platform for the Nasdaq market,

known as SuperMontage, which enables members of the National Association of Securities Dealers, Inc. (NASD) to trade electronically in Nasdaq quoted stocks; Archipelago Exchange; the NYSE's institutional Xpress™, NYSE Openbook™ and NYSE Direct™ products; ECNs, alternative trading systems (ATSS), electronic brokers and other electronic trading systems, including BRUT ECN, Bloomberg Tradebook and ITG; automated trade execution services developed by third party vendors for commercialisation in a wide range of financial product markets; commercial banks and other financial institutions; and trading system software companies.

Capital investments, expenditure and divestitures

Since the beginning of 2001, the Group has made a number of acquisitions and has invested in several new and existing businesses including several joint ventures. In chronological order, the principal acquisitions and investments (none of which exceeded a cost of £50 million, save where otherwise stated) were:

- **Diagram fip SA**, acquired in March 2001, a major European provider of financial software solutions for the capital markets;
- **ProTrader Group LP**, acquired by Instinet Group in October 2001 for total consideration valued at £105 million;
- Certain businesses of **Bridge Information Systems, Inc.**, acquired in September 2001 for total consideration of £256 million, including interim funding to Bridge and Savvis;
- **Island Holding Company Inc.**, acquired by Instinet Group in September 2002 for stock consideration having a value at the closing of £194 million;
- **Capital Access International LLC**, which provides fixed income holdings information, acquired in November 2002;
- **AVT Technologies Limited**, a specialist in foreign exchange transaction technology, acquired in December 2002; and
- **Multex.com, Inc.**, acquired in March 2003 for £158 million.

Total capital expenditure for acquisitions, investments in joint ventures, associates and other investments during 2003 was £161 million (2002: £317 million, 2001: £519 million).

In October 2001 Reuters sold its interest in VentureOne Corporation, a provider of information and research for the venture capital investment industry, to Wicks Business Information, LLC for a net consideration of £18 million in cash.

Reuters disposed of or closed a total of 56 units in 2002 for consideration totalling £29 million. The principal disposals or closures in 2002 were:

- London News Radio, in which Reuters held a 20% shareholding, sold in September 2002;
- Diagram Asset Management and Diagram EDI respectively, two non-core units that were acquired as part of the acquisition of Diagram fip SA in 2001, sold in September 2002 and November 2002 respectively;
- Sila Communications, in which Reuters held a 40% shareholding, sold in December 2002; and
- Atriax, which ceased operations during 2002, is currently in the process of being liquidated.

Reuters disposed of or closed a total of 17 units in 2003 for consideration totalling £41 million. The principal disposals in 2003 were:

- Syntex Solutions Limited, a joint venture, sold in January 2003;
- Wall Street on Demand, a wholly-owned subsidiary, sold in March 2003;

- The Thai Apex services business, sold into a new joint venture formed by Reuters and Systex Corporation in December 2003; and
- Agence de Presse Médicale International SAS, a wholly-owned subsidiary, sold to Wilmington Business Information Limited.

In addition, Multex Investor Europe Limited was liquidated in July 2003. The company had surplus assets of approximately £10 million which have been absorbed into the Group.

In February 2004, Reuters completed a public offering of 69 million TSI shares and sold an additional 17 million shares back to TSI for aggregate net proceeds of approximately £311 million. The transactions reduced Reuters stake in TSI from 48% to 8.8%. Also, on 19 February 2004, Reuters sold its 98% holding in Tower Group Holding Corp. to Master Card International Services, Inc.

Further information relating to investments, acquisitions, joint ventures and disposals in 2003 is provided in notes 16 and 31 on the consolidated balance sheet on pages 59 and 69.

Government regulation

The UK Financial Services Authority (FSA) under the Financial Services and Markets Acts 2000 regulates Reuters Limited, the principal operating company of Reuters, as a service company.

Reuters Transaction Services Limited (RTSL), through which Dealing 3000 Spot, Forwards, FX Options and Interest Rate Swaps Matching are operated, is subject to regulation by the FSA equivalent to that applied to broking participants in the London market. RTSL's operations in Singapore and Hong Kong are approved and subject to oversight by the Monetary Authority of Singapore and the Hong Kong Monetary Authority, respectively. RTSL has also applied to the Australian Securities and Investments Commission for an Australian Market Licence: Overseas Operator.

Reuters Global Routing Services Limited (RGRS UK), the Group's other authorised firm in the UK, was created in March 2003. Under the passporting provisions of the EU Investment Services Directive, RGRS UK may introduce UK and EU clients directly to Reuters subsidiary Bridge Trading Company (BTC) in the US. The Reuters Global Routing Service (RGRS) order routing network is operated through RGRS UK and Reuters Global Routing Services (US) LLC (RGRS US).

As registered broker-dealers, members of self-regulatory organisations in the US and other countries in which they operate and, in the case of the Instinet ATSS and the INET ATS as operators of electronic communications networks and/or alternative trading systems in the US, Instinet Group, BTC and RGRS US are subject to regulation under the US securities laws and their equivalents in other countries, including but not limited to net capital requirements, and to possible increased levels of regulation in the future.

In June 2002, Island ECN submitted to the SEC an application in draft form for registration as a national securities exchange. INET intends to submit a new draft application for registration as a national securities exchange. See 'Arrangements with Instinet Group – Corporate Agreement' on page 81 and 'Risk factors – Changes in the regulatory environment could have an adverse effect on Reuters Group's business' on page 41.

The use of communications links is subject to government licencing in several countries.

Corporate structure

The Group conducts its business through a portfolio of companies, including wholly and partly owned subsidiary undertakings, joint ventures and associates. Information concerning the most significant companies is contained in note 32 on the consolidated balance sheet.

- Informa SA, a fixed asset investment in which Reuters held a 40% shareholding, sold in September 2003;
- Datamonitor plc, in which Reuters held a 20.5% ordinary shareholding, sold on a piecemeal basis between July 2003 and November 2003;

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Company information continued

Property, plant and equipment

The Group's tangible fixed assets are primarily in the form of computer systems equipment that forms the infrastructure for the company's business. This equipment is distributed across global sites with greater concentration at the major global and regional technical centres. A reducing proportion of the equipment is located at customer sites around the world.

The Group's principal facilities are:

- the corporate headquarters and adjoining office building (145,000 sq. ft.) in Fleet Street, London;
- the US headquarters at 3 Times Square in New York City (597,000 sq. ft.);
- the technical centres in London (324,000 sq. ft.), Hazelwood, Missouri (109,000 sq. ft.), Geneva (144,000 sq. ft.), which also includes the regional office for EMEA, Singapore (180,000 sq. ft.), which also includes the regional office for Asia, and Hauppauge, New York (50,000 sq. ft.); and
- the four corporate office buildings located in St. Louis County, Missouri (aggregate of 211,000 sq. ft.).

The London and Hauppauge technical centres are situated on land owned by Reuters, whereas the buildings in Geneva and Singapore were built by Reuters on leased land. The leases, including periods covered by options to extend, expire in 2095 and 2050, respectively.

The Reuters Building at 3 Times Square is owned, and was developed jointly, by Reuters and Rudins Times Square Associates LLC. In May 2001 Reuters commenced its lease of 692,000 sq. ft. from the venture, of which 360,000 sq. ft. is subleased to Instinet Group, which in turn has subleased 95,000 sq. ft. to third parties. The principal part of Reuters lease will expire in 2021. Reuters secured its lease position with a US\$120 million letter of credit.

In 2003, the major technical centre building in Hazelwood, Missouri was acquired from Savvis for a total consideration of £24 million. Reuters subsequently entered into a sale and leaseback for the facility, receiving £23 million under a 20 year arrangement.

In September 2003, Reuters announced a transaction under which its London-based operations would be consolidated into a new building at Canary Wharf during 2005. Under the arrangement, Reuters will take a lease on a 281,000 sq. ft. office building and has transferred approximately 340,000 sq. ft. of redundant offices, including 85 Fleet Street, to Canary Wharf Group for cash consideration of approximately £30 million. Reuters is leasing back 85 Fleet Street on a temporary basis pending the move to Canary Wharf.

History and development

Though its predecessor was formed in London in 1851, the ultimate holding company for the Group, Reuters Group PLC, was incorporated in England and Wales on 24 December 1996. Reuters registered office and corporate headquarters are located at 85 Fleet Street, London EC4P 4AJ, England (telephone: +44 (0)20 7250 1122).

Legal proceedings

Reuters Group is a party to certain legal proceedings including the following:

The Island ECN, Inc. v. B-Trade Services LLC. On 20 September 2002, Island ECN commenced an arbitration proceeding against respondents Archipelago L.L.C. (Archipelago); B-Trade Services LLC (B-Trade); and REDIBook ECN L.L.C. (REDIBook) before the NASD. Island alleged that each respondent entered into a subscriber agreement with Island which prescribed certain fees and, despite Island's demand that each respondent abide by the terms of its

below.) B-Trade denied Island's claims, asserted affirmative defences and counterclaimed against Island for US\$2.75 million. On 21 October 2003, the parties were notified that Island's motion for summary judgement had been granted by the panel in the matter. As part of that decision, the arbitration panel (i) sustained Island's claims against B-Trade in their entirety and awarded Island US\$1,979,385 (inclusive of interest) and costs, and (ii) dismissed B-Trade's defences and counter claims against Island. B-Trade has satisfied the arbitration award.

The Island ECN Inc. v. Archipelago L.L.C. and REDIBook ECN L.L.C.; Archipelago Securities L.L.C. v. Instinet Group Incorporated. As noted above, Island ECN commenced an arbitration against Archipelago and REDIBook before the NASD seeking US\$5.2 million and US\$4 million, respectively, in unpaid transaction fees allegedly incurred by the respondent in 2002. Archipelago and REDIBook have answered and counterclaimed against Island by denying the substantive allegations of Island's statement of claim, asserting certain affirmative defences and counterclaims against Island, alleging that Island engaged in unfair, discriminatory pricing practices against these respondents and asserting claims involving breach of contract, breach of obligations of good faith, and attempted monopolisation and conspiracy to restrain trade under the Sherman Act. The counterclaims allege damages of no less than US\$30 million before trebling, for a total of no less than US\$90 million treble damages pursuant to the federal antitrust laws. Archipelago is also seeking attorney's fees.

Additionally, on 19 February 2003, Archipelago commenced a separate action against Instinet Group before the NASD, in which it alleged that Instinet Group also engaged in unfair, discriminatory pricing practices against it and asserted claims involving breach of contract, breach of obligation of good faith, and attempted monopolisation and conspiracy to restrain trade under the Sherman Act. Archipelago seeks no less than US\$41 million before trebling for a total of no less than US\$123 million trebled damages. Instinet Group has answered and intends to defend the proceeding vigorously.

These two actions have been consolidated by agreement of the parties and are in the discovery phase.

NexTrade Holdings, Inc. v. ProTrader Group, LP, ProTrader Securities Corp., ProTrader Technologies LP, ProTrader Trading LLC, ProTrader Services LP and ProTrader.com LP. On 4 February 2003, NexTrade Holdings, Inc. commenced an action in the United States District Court, Middle District of Florida, Tampa Division, against certain subsidiaries of Instinet Group's ProTrader business. The complaint alleges that these subsidiaries adopted and used the mark 'ProTrader' in violation of §32(1) of the Lanham Act. The complaint further alleges that these subsidiaries' use of the ProTrader mark is likely to cause confusion, mistake or deception among purchasers of software, services and goods bearing the name 'ProTrader', which allegedly constitutes false designation of origin and unfair competition in violation of §43(a) of the Lanham Act. The complaint also alleges that these subsidiaries' use constitutes trademark infringement in violation of Florida state statutes and its common law, and unfair competition based on trademark infringement in violation of the common law of Florida. Finally, the complaint alleges fraud in the inducement based on defendants' alleged deceitful negotiations to resolve the dispute. Plaintiff seeks to recover all of these subsidiaries' profits, gains and advantages resulting from the unauthorised use of the 'ProTrader' mark, damages sustained by the plaintiff of no less than US\$15 million before trebling and that such damages be trebled, and exemplary and punitive damages of not less than US\$90 million. Defendants have answered the complaint by denying the substantive allegations, asserting certain affirmative defences and by counterclaiming against NexTrade, seeking a cancellation of the 'Pro-Trade' trademark on the ground that it is descriptive and plaintiff committed fraud on the Patent and Trademark Office during the prosecution of its application.

While any litigation contains an element of uncertainty, it is the opinion of management after consultation with counsel that the outcome of these and all other proceedings are unlikely to have a material adverse effect on the business, financial condition or operating results of the Group.

contract, each respondent refused to pay such fees. Island sought total damages in the amount of approximately US\$11.1 million, of which approximately US\$1.9 million was due from B-Trade, US\$5.2 million from Archipelago and US\$4 million from REDIBook.

The claim against B-Trade was severed from those claims against Archipelago and REDIBook, and was tried to conclusion. (By agreement of the parties, the claims against Archipelago and REDIBook were stayed for most of calendar year 2003, and were subsequently consolidated with Archipelago Securities L.L.C. v. Instinet Group Incorporated described

Directors' report

The directors submit their annual report and audited financial statements for the year ended 31 December 2003.

Activities

The Group's business is described on page 6. A detailed review of activities during 2003 and likely future developments is given on pages 6-10 and 27-39. Details of the Group's research and development activity and expenditure are given on page 45.

Share capital and dividends

Details of the changes in the authorised and called-up share capital are set out in notes 26 and 27 to the consolidated balance sheet on pages 66-67. Details of significant shareholdings are given on page 80.

An interim dividend of 3.85 pence per ordinary share was paid on 3 September 2003. The directors recommend a final dividend of 6.15 pence per ordinary share, giving a total of 10.0 pence per ordinary share for the year (2002: 10.0 pence). Subject to shareholders' approval at the annual general meeting to be held on 22 April 2004, the final dividend will be paid on 29 April 2004 to members on the register at the close of business on 12 March 2004.

Employees

The total number of employees at 31 December 2003 was 16,744 (including 1,223 employees at Instinet Group) (31 December 2002: 17,414). Details of average number of employees by segment are given on page 48.

It is Reuters Group policy that selection of employees, including for recruitment, training, development and promotion, should be determined solely on their skills, abilities and other requirements which are relevant to the job and in accordance with the laws in the country concerned. Reuters equal opportunities policy is designed to ensure that disabled people are given the same consideration as others and enjoy the same training, development and prospects as other employees. In the UK, as well as being a member of the Employers' Forum for Disability, Reuters has made use of the services of both AbilityNet (which supplies technology for disabled users) and Employment Opportunities (which is a charity helping people with disabilities find and retain work). Reuters Group has successfully retained staff who have become disabled as well as integrated staff who are disabled when they join. This has been possible by using innovative technological solutions and re-designing the way that jobs are handled, enabling individuals to contribute actively to business needs.

Reuters Group makes extensive use of its intranet as a communication tool to provide employees with the information they need to understand and achieve the Group's business objectives, and to enable employees to achieve a common awareness of the financial and economic factors affecting the performance of the Group. Meetings are regularly held between management and employees' union representatives so that the views of employees can be taken into account in making decisions which may affect their interests. Reuters European Employee Forum operates as a pan-European works council. The Chief Executive or other executive directors meet with the Forum regularly. Regular employee surveys are undertaken to evaluate morale and to identify any employee issues that need to be addressed. The results are communicated to employees. Reuters Group employees' involvement in the Group's performance is encouraged through share plans, details of which are set out on pages 18-19.

The Board values the courage and professionalism shown by employees operating in zones of conflict. Reuters has reviewed the adequacy of its policies, training and procedures for employees generally and for those working in dangerous places in particular. Reuters has reaffirmed the standing instructions to employees to avoid risks wherever possible and for hostile environment training and protective equipment to be provided to all employees who may need them.

to these cash contributions, employees are encouraged to give their time and skills to a variety of causes and Reuters provides equipment and information services free of charge.

No political contributions were made by the Group.

Creditor payment terms

It is the Group's normal procedure to agree terms of transactions, including payment terms, with suppliers in advance. Payment terms vary, reflecting local practice throughout the world. In the UK, Reuters has signed up to the Better Payment Practice Code and will continue to participate in it during 2004. The full text of the Code is available at www.payontime.co.uk/bppc. It is Group policy that payment is made on time, provided suppliers perform in accordance with the agreed terms. Group trade creditors at 31 December 2003 were equivalent to 18 days' purchases during the year (2002:18 days).

Authority for company to purchase own shares

At the annual general meeting held on 17 April 2003, members renewed the company's authority under section 166 of the Companies Act 1985 to make purchases of up to 143,252,325 ordinary shares at a price of not more than 5% above their average middle market quotation in the London Stock Exchange Daily Official List for the five business days prior to the date of purchase, nor less than 25 pence each. The company did not repurchase any of its own shares during 2003.

Post balance sheet events

Details of post balance sheet events are given on page 70.

Directors

The names and biographical details of current directors are given on pages 12-13.

Philip Green stepped down from the Board in June 2003. On 17 February 2003, Devin Wenig was appointed as an executive director. On 3 March 2004, it was announced that Niall FitzGerald would become Chairman with effect from 1 October 2004, on which date Sir Christopher Hogg would retire from the Board. It was also announced on 3 March 2004 that Sir John Craven would retire from the Board at the 2004 annual general meeting and not stand for re-election. On the retirement of Sir John Craven, Richard Olver will become the senior independent non-executive director. Sir Christopher Hogg, Tom Glocer, David Grigson and Ian Strachan retire by rotation and are proposed for re-election as directors at the forthcoming annual general meeting. In accordance with the recommendations contained in the new Combined Code, Charles Sinclair, having served more than nine years as a director of the company, is submitting himself for re-election at the 2004 annual general meeting. Charles Sinclair has stated his intention to stand down from the Board at the 2005 annual general meeting. As non-executive directors, Sir Christopher Hogg, Charles Sinclair and Ian Strachan do not have service contracts but have letters of appointment (please refer to the Remuneration report on page 17).

Details of directors' interests in the company's shares, the remuneration of the non-executive directors and information on the service contracts and remuneration of the executive directors are set out on pages 17-24. A non-executive director is not required to hold ordinary shares in order to qualify as a director.

By order of the Board



Rosemary Martin

General Counsel and Company Secretary
3 March 2004

Charitable contributions

In 2003, Reuters continued to support community initiatives and charitable causes, mainly through the work of the Reuters Foundation charitable trust. A report on the activities of the Foundation and the Group's wider corporate social responsibility programme can be found in the 2003 annual review or on the Reuters website www.reuters.com/csr. The total cash donated by Reuters in the year amounted to £2.5 million (2002: £4.7 million). In addition

Directors and senior managers

The directors and senior managers of Reuters at 3 March 2004 are:

Name	Position	Position held since
Directors		
Sir Christopher Hogg	Chairman; Director ¹	1985; 1984
Thomas Glocer	Chief Executive; Director	2001; 2000
David Grigson	Finance Director; Director	2000
Devin Wenig	President of Customer Segments; Director	2003
Sir John Craven	Director ¹	1997
Niall FitzGerald, KBE	Director ¹	2003
Edward Kozel	Director ¹	2000
Roberto Mendoza	Director ¹	1998
Richard Olver	Director ¹	1997
Charles Sinclair	Director ¹	1994
Ian Strachan	Director ¹	2000
Senior Managers		
Graham Albutt	President – Business Programmes	2003
Christopher Hagman	Managing Director – Global Channels	2003
Alexander Hungate	Chief Marketing Officer	2001
Geert Linnebank	Editor-in-Chief	2000
Rosemary Martin	General Counsel and Company Secretary	2003; 1999
Michael Sayers	Global Head of Operations & Technology	2003
Susan Taylor-Martin	Global Head of Reuters Strategy	2004
David Ure	Strategic Adviser to the Board and non-executive Chairman of Radianz	2000
Christian Verougstraete	Group Human Resources Director	2003
Simon Walker	Director of Corporate Communications	2003

¹ Non-executive director.

Philip Green, who was an executive director, stepped down from the Board and left Reuters in June 2003. Stephen Mitchell, who was General Counsel and Head of Risk, left Reuters in August 2003.

In accordance with the company's articles of association at each annual general meeting there shall be proposed for re-election the greater of one third of the directors (or, if the number of directors is not a multiple of three, the number nearest to but not greater than one third) and the number of directors required to retire pursuant to the following criteria: (i) due to retire at the meeting by reason of age; (ii) wishes to retire and not offer himself for re-election; or (iii) shall not have retired from office by rotation in the period of three years ending on the date of the meeting.

If there are no changes to the current board composition, the directors to stand for re-election at the annual general meeting in 2005 will be selected from: Edward Kozel, Roberto Mendoza, Richard Olver, Niall FitzGerald and Devin Wenig.

Directors

Sir Christopher Hogg. Chairman of the Board and Nominations Committee. Non-executive Chairman of GlaxoSmithKline plc since May 2002 (non-executive director since 1993) and a non-executive director of Air Liquide SA since May 2000. Non-executive Chairman of the Royal National Theatre since 1995. Former member of the International Council of JP Morgan from 1988 to 2003. Former Chairman of Courtaulds PLC from 1980 to 1996 (chief executive 1979-1991) and of Allied Domecq PLC (1996-2002). Former non-executive director of the Bank of England (1992-1996). Age 67.

Tom Glocer. Chief Executive. Former Chief Executive of Reuters Information (2000) and President & Senior Company Officer, Reuters America (1998-2000). Appointed Chief Executive Officer, Reuters Latin America in 1997 after serving in Reuters legal department from 1993. Formerly practiced law in New York, Paris and Tokyo. Non-executive director of Instinet Group. Member of the International Advisory Panel to the Monetary Authority of Singapore, the Whitney Museum, The Madison Council of the Library of Congress and of the Leadership Champions Group (Education) of Business in the Community. Age 44.

David Grigson. Finance Director. Joined Reuters Group in August 2000 from Emap plc where he was Group Finance Director and

Devin Wenig. Executive Director since February 2003. Executive Director and President of Customer Segments. President – Investment Banking (2001-2003). Joined Reuters Group in 1993 as Corporate Counsel, Reuters America and held a number of senior management positions before being appointed President, Reuters Information in January 2001. Also a non-executive director of Instinet Group and Nastech Pharmaceutical Company. Age 37.

Sir John Craven. Senior independent non-executive director and member of the Audit Committee. Non-executive Chairman of Lonmin Plc since 1997. Non-executive Chairman of Fleming Family & Partners. Former member of the Board of Managing Directors of Deutsche Bank AG and former Executive Chairman of Morgan Grenfell Group plc (1989-1997). Former non-executive director of Gleacher & Co LLC, Rothmans International BV, Ducati SpA and Société Générale de Surveillance SA. He is a member of the Canadian and Ontario Institute of Chartered Accountants. Age 63.

Niall FitzGerald, KBE. Non-executive director; member of the Nominations Committee. Chairman and Chief Executive Officer of Unilever PLC since 1996. It has been announced that Niall will be retiring from Unilever on 30 September 2004. Niall held a number of posts including Finance Director during 30 years with Unilever. He is also President of the Advertising Association, a member of the World

Chairman of Emap Digital. He is a qualified chartered accountant and a member of the Financial Services Authority Practitioners Panel. Formerly held senior finance roles in the UK and US at Saatchi and Saatchi Plc (1984-1989). Held a number of financial positions at Esso UK from 1980 to 1984. Also a non-executive director of Instinet Group. Prudential plc. Age 58.
Economic Forum's Foundation Board, Co-Chairman of The TransAtlantic Business Dialogue, Chairman of The Conference Board, Inc. and a fellow of the Association of Corporate Treasurers. Former non-executive director of Merck, Ericsson, Bank of Ireland and Age 49.

Edward Kozel. Non-executive director; member of the Remuneration Committee. Managing Director of Integrated Finance Limited an investment bank based in New York and Director of Open Range Ventures LLC, of Yahoo! and Narus Inc. Formerly, a non-executive director of Cisco Systems Inc. (2000-2001), where he worked from 1989-2000 in a number of roles, including Chief Technology Officer and Senior Vice President for business development. Also a former non-executive director of TSI (2000-2001). Prior to 1989 he worked with SRI International in California. Age 48.

Roberto Mendoza. Non-executive director; member of the Remuneration Committee. Chairman of Egg plc and Non-executive Director of Prudential plc, Vitro SA and The BOC Group PLC. Director of Integrated Finance Limited. Formerly Vice-Chairman and Director of JP Morgan & Co Inc. (1990-2000) and Managing Director of Goldman Sachs & Co (2000). Joined JP Morgan in 1967 with successive assignments in London and New York. Age 58.

Richard (Dick) Olver. Non-executive director; Chairman of the Audit Committee and a member of the Nominations Committee. Deputy Group Chief Executive of BP p.l.c. since January 2003. Chief Executive Officer of BP Exploration & Production Division (1998-2002). A member of the Institute of Civil Engineers, he has worked for BP since 1973. A governor of New Hall School. Age 57.

Charles Sinclair. Non-executive director; Chairman of the Remuneration Committee. Group Chief Executive of Daily Mail and General Trust plc since 1988. Joined Associated Newspapers in 1975 and held a number of roles prior to its merger into the Daily Mail Group in 1988. Non-executive director of Euromoney Institutional Investor PLC and Schroders plc. Fellow of the Institute of Chartered Accountants. Age 55.

Ian Strachan. Non-executive director; member of the Audit Committee. Non-executive Chairman of Instinet Group since 1 January 2003 (non-executive director since May 2001). Non-executive director of Transocean Inc., Johnson Matthey plc, Xstrata plc and Rolls-Royce Group Plc. Former Non-executive Director of Harsco Corporation, Deputy Chairman of Invensys plc (1999-2000) and Chief Executive Officer of BTR plc (1996-1999). Former Deputy Chief Executive officer (1991-1995) and Chief Financial Officer (1987-1991) of Rio Tinto plc. Also a former Non-executive Director of Commercial Union plc (1991-1995). Age 60.

Senior Managers

Graham Albutt. President – Business Programmes. Graham joined Reuters Group in London in 1987. Held various posts in central and operational business functions and in May 2001, was additionally appointed as Business Integration Executive, developing the structure and business model for the integration of the recently acquired Bridge assets. Non-executive Director of Datamonitor plc. Age 50.

Christopher Hagman. Managing Director – Global Channels. Christopher joined Reuters Group in 1987 based in Sweden and has held various senior sales and general business management positions in Sweden, the Netherlands and the UK before being appointed to his current post in April 2001. Age 45.

Alexander Hungate. Chief Marketing Officer. In 1993, Alex joined Reuters Group in London as a business development executive. From 1996 to 1998, he was Executive Vice President of Reuters Marketing before being appointed Chief Operating Officer, Reuters America in 1999 and Chief Executive Officer, Reuters America in 2000. Alex is also chairman of Factiva and a trustee of Reuters Foundation. Before joining Reuters, Alex worked at Booz Allen & Hamilton as a strategy consultant. Non-executive director of British America Business Inc. Age 37.

Geert Linnebank. Editor-in-Chief. Geert became Editor-in-Chief in 2000 having held various editorial management roles. In 2003, he also assumed responsibility for Reuters data collection, production and acquisition activities. Geert is a trustee of Reuters Foundation and a non-executive director of Factiva. Before he joined Reuters in 1983, Geert was a correspondent for AP-Dow Jones in Brussels, reporting on Belgium and the European Community. Age 47.

Rosemary Martin. General Counsel and Company Secretary. Rosemary joined Reuters Group in 1997 as deputy company secretary and became Company Secretary in 1999. Appointed General Counsel in 2003. Rosemary has been the Director of Reuters Foundation since 2002. Former partner at Mayer, Brown, Rowe & Maw for eight years. Member of Financial Services Authority Listing Authority Advisory Committee and a Fellow of the Royal Society for the encouragement of Arts, Manufactures & Commerce. Age 43.

Michael Sayers. Global Head of Operations & Technology. Michael joined Reuters Group in 1977 and has held a number of positions in both information technology and product management including Chief Technology Officer from 1998 until 2003. In 2003, he was appointed Global Head of Operations and Technology. Age 50.

Susan Taylor-Martin. Global Head of Corporate Strategy. Susan joined Reuters Group in 1993 in business development. She has held management positions in UK marketing, global product management and corporate strategy. Susan was appointed to her current role on 1 January 2004. Before joining Reuters, Susan worked in corporate finance for Smith Barney, Harris Upham & Co. Age 40.

David Ure. Strategic Adviser to the Board and non-executive Chairman of Radianz. Former executive director of Reuters (1989-2000) responsible for group technical strategy and Reuters Trading Solutions Division. From 1992 to 1998, he was responsible for group marketing and technical policy. Prior to that he headed Reuters operations in Europe, Middle East & Africa. Joined Reuters in 1968 as a trainee journalist. David chairs the Board of Trustees of Reuters Foundation. David ceased to be a full-time employee of Reuters on 31 December 2003 but remains as an employee on a part-time basis. Age 56.

Christian Verougstraete. Group Human Resources Director. Christian joined Reuters Group in 2003. He has executive responsibility for human resources strategy and operations throughout Reuters. Prior to joining Reuters, Christian was Executive Vice President for Human Resources at S.A. Interbrew. Age 53.

Simon Walker. Director of Corporate Communications. Simon joined Reuters Group in 2003. Prior to joining Reuters, Simon was Communications Secretary at Buckingham Palace and Director of Communications at British Airways Plc. Age 50.

Corporate governance

Reuters Group PLC is committed to high standards of corporate governance. The Board monitors and responds to developments in governance best practice, particularly in the UK and US, where most of the company's shareholders are located. During 2003, Reuters Group PLC complied with the Combined Code issued in 1998 save that Tom Glocer had a service contract which was terminable by the company on, in effect, up to two years' notice. The terms of this contract have been varied so that, with effect from 1 January 2004, Tom Glocer's service contract is terminable by the company on, in effect, one year's notice. In light of developments in corporate governance regulation during 2003, Reuters Group PLC made certain alterations to its governance arrangements, as described below. Since 1 January 2004, Reuters Group PLC has complied with the Combined Code published in July 2003 (the new Combined Code) save that no individual member of the Audit Committee has been identified by the Board as having 'recent and relevant financial experience'. However, in common with all the non-executive directors, the members of the Audit Committee are all experienced and influential individuals, having the skills described in their biographies in 'Directors' above and the Board considers that, collectively, the members have the attributes required to discharge properly the committee's responsibilities.

Reuters Group PLC also complies with all SEC and (with the exception of two waivers described below) Nasdaq governance requirements, including some as to which compliance is not actually required until 31 July 2005 due to the company's status as a 'foreign private issuer'. These include requirements to have a majority of independent directors, and to have audit, remuneration and nominations committees comprised entirely of independent directors. The company has received waivers from Nasdaq from two provisions of its governance rules, in both cases on the basis that compliance with the rules would be contrary to standard UK business practice. For approximately 15 years, the company has operated under a waiver of Nasdaq's requirement that all shareholder meetings require a quorum of at least one-third of outstanding voting shares; instead, the company's articles of association provide, as is typical for English public companies, that a quorum shall consist of any two shareholders. The company has also received a waiver from Nasdaq's recently revised provisions requiring shareholder approval of employee share-based incentive schemes. The company does seek and has received shareholder approval of its employee share-based incentive schemes to the extent required by UK regulation, including the UKLA Listing Rules.

The Board

As at 3 March 2004, Reuters Group PLC's Board consisted of its Chairman, three executive directors and seven non-executive directors. The Chairman's significant commitments, other than Reuters, are the chairmanship of GlaxoSmithKline plc and the Royal National Theatre and being an independent director of Air Liquide SA. It has been announced that Niall FitzGerald will become Chairman on 1 October 2004. When he becomes Chairman his most significant commitments, other than Reuters, will be being a member of the World Economic Forum's Foundation Board, Co-chairman of the TransAtlantic Business Dialogue and Chairman of The Conference Board. Sir John Craven was the senior independent non-executive director throughout 2003. He will hand over this role, when he retires from the Board at the 2004 annual general meeting, to Richard Olver. The senior independent non-executive director is available to shareholders if they have concerns. No shareholder contacted Sir John Craven during 2003.

The Board is responsible for the success of the company within a framework of controls which enables risk to be assessed and managed. It sets the company's strategic aims, ensures the necessary resources are in place to achieve these aims and monitors performance. The articles of association require the directors to pay due regard to the Reuters Trust Principles which are designed to protect Reuters Group's integrity and independence and represent the core values at the heart of Reuters Group's business. These Principles, which are described more fully on page 84, are included in the company's code of conduct to which all employees are required to

The quality of the individual directors, the balance of the Board's composition and the dynamics of the Board as a group, serve to ensure both the Board's effectiveness and the inability of an individual or small group to dominate the Board's decision making. The Board has determined that each of the non-executive directors is independent in character and judgment by reason of his personal qualities, and that each of the non-executive directors is 'independent' as that term is defined in Nasdaq and SEC governance requirements.

The articles of association provide that at each annual general meeting any director appointed since the last annual general meeting shall stand for election by the shareholders and one third of the directors shall retire from office by rotation and be eligible for re-election by the shareholders. Executive directors have service contracts (see the Remuneration Report for further information) and the non-executive directors receive a letter setting out the terms of their appointment and specifying that the appointment is for a term of six years subject to review after three years. Sir Christopher Hogg, Richard Olver and Charles Sinclair have continued to hold office beyond the initial six year term by agreement with the Board. Copies of the non-executive directors' letters of appointment are available from the Company Secretary on request.

When they join the Board, non-executive directors receive a series of briefings about Reuters and are supplied with Reuters products. Site visits are arranged from time to time to enable the non-executive directors to see first hand the operations of the business. During 2003, the Board as a group visited Reuters operations in New York and St. Louis County, US. In addition, individual directors visited other operations of the Group. Training for directors is available as appropriate. The company's legal advisers and auditors provide briefings from time to time to the directors and a training programme is run for directors of subsidiaries.

Monthly financial information is provided to the directors. Regular and ad hoc reports and presentations are prepared and circulated to the directors in advance of Board meetings, together with minutes and papers relating to the Board's committees, to ensure the directors are supplied, in a timely fashion, with the information they need. They also have access to the Company Secretary who is responsible for advising the Board through the Chairman on all governance matters. The Company Secretary is appointed by, and can only be removed by, the Board. The directors may take independent professional advice at the company's expense, although no such advice was sought during 2003.

A schedule of matters reserved for the Board's decision identifies those matters that the Board does not delegate. It includes the approval of annual and interim results, corporate objectives, strategy and the annual budget, significant transactions and matters relating to share capital.

The Board met eight times in 2003 and, in addition, held a strategy review meeting in June. The directors attended all the Board meetings in 2003 save that, by prior arrangement, Niall FitzGerald was absent from three meetings and Sir John Craven, Edward Kozel and Richard Olver were each absent from one meeting. The Chairman and the non-executive directors met without the executive directors being present once in 2003.

There is a clear division of responsibilities between the running of the Board, which is the Chairman's responsibility, and the running of the company's business, which is the Chief Executive's responsibility with the Board having oversight. The division of responsibilities is set out in a document approved by the Board.

Each year the Chairman meets with the non-executive directors without the executive directors present and Sir John Craven conducts a chairmanship review meeting, attended by the directors other than Sir Christopher Hogg, at which the Chairman's remuneration and performance are reviewed. Each year the Chairman and the non-executive directors review the Chief Executive's performance and the

adhere. The Board, through its Audit Committee, satisfies itself on the integrity of financial information and that the financial, operational and compliance controls and systems of risk management are robust. Through its Remuneration Committee, the Board determines appropriate levels of remuneration of executive directors. The Nominations Committee is the forum through which the Board discharges its role in nominating new directors and succession planning. These committees are described in more detail below.

Chief Executive reviews the performance of the other executive directors. During 2003, a review of the Board's effectiveness was undertaken, led by the Chairman. The chairmen of the Audit and Remuneration Committees also undertook evaluations of the performance of their respective committees. In each review, the chairman of the Board or the committee circulated a questionnaire to the members of the Board or committee and discussed with each member his responses. In the case of the review of the Audit Committee, input to the review was also provided by the independent auditors and the Head of Internal Audit.

The responses were collated into a document for each of the reviews and these documents were circulated to, and discussed by, the Board. Account will be taken of the results in the way the Board and committees are managed henceforth.

The Board delegates specific responsibilities to certain committees. Each committee has its own terms of reference set by the Board. These are available on request from the Company Secretary or at www.about.reuters.com.

The Audit Committee

The Audit Committee reviews and, as appropriate, actively engages in the processes for financial reporting, internal control, risk assessment, audit and compliance assurance, the independence of the company's internal and external auditors and the effectiveness of the company's system of accounting, its internal financial controls and the internal and external audit functions. The committee comprises Richard Olver (Chairman), Sir John Craven and Ian Strachan, all of whom are considered by the Board to be independent including under the SEC and Nasdaq definitions. Sir Christopher Hogg resigned from the committee in July so that the committee's composition would comply with the Smith Guidance contained in the new Combined Code. The Audit Committee does not include a member who is a 'financial expert', as defined in the United States' Sarbanes-Oxley Act of 2002 and related SEC rules because the Board considers that none of the members clearly meets all the criteria set out in the relevant definitions nor has the Board identified a member of the Audit Committee as having recent and relevant financial experience. However, the Board considers that the members have the financial experience and qualifications required under Nasdaq governance rules and that collectively the members have the requisite skills and attributes to enable the Audit Committee properly to discharge its responsibilities. The Company Secretary is secretary to the committee.

The Audit Committee's remit, which is set out in its terms of reference, includes responsibility for:

- the oversight responsibilities described in the above paragraph;
- reviewing compliance with laws, regulations, the company's code of conduct and policies;
- approving related party transactions;
- monitoring the integrity of the company's financial statements and any announcements relating to the company's financial performance and reviewing significant financial reporting judgements contained in them;
- monitoring and reviewing the effectiveness of the company's internal audit function;
- making recommendations to the Board, for it to put to the shareholders for their approval, regarding the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditors;
- monitoring and reviewing the external auditors' independence and the effectiveness of the audit process;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services; and
- overseeing the receipt, review and treatment of complaints received regarding accounting, internal accounting controls, auditing and compliance matters, whether through the company's 'whistleblower' confidential helpline or otherwise

The committee met four times in 2003 with the Chief Executive, the Finance Director, other officers and the auditors attending as required. The auditors have unrestricted access to the Audit Committee and, in accordance with usual practice, met twice during the year privately with the committee, as did the Head of Internal Audit. All members of the Audit Committee attended every committee meeting during the year.

The committee reports its activities and makes recommendations to the Board. During 2003 the committee discharged the responsibilities described above. Its activities included:

- formally reviewing the draft annual report and interim statement respectively and associated announcements, focusing on the main areas of judgement and critical accounting policies;
- reviewing the findings of the external auditors and the report of the Head of Internal Audit on internal audit activities;
- reviewing the effectiveness of internal control systems, the risk management process and the compliance programme (including the 'whistleblower' programme). To assist it in its work, the Committee received presentations from the Head of Global Finance, the Head of Internal Audit and the Head of Compliance and reviewed risk radars prepared by the business;
- receiving the report of the Chief Executive and the Finance Director on the processes followed prior to certification being given by them in accordance with the Sarbanes-Oxley Act;
- reviewing the external audit strategy and the external auditors' report to the committee in respect of the annual report and interim statement;
- keeping under review the proportion of non-audit fees to audit fees paid to the auditors;
- giving pre-approval to non-audit work undertaken by the auditors ;
- reviewing the effectiveness of the auditors;
- determining that an audit tender process would be undertaken for the year ending 31 December 2005; and
- reviewing a report on the company's corporate social responsibility activities.

The committee adopted a code of ethics for the company's Chief Executive and senior financial officers in April 2003, in addition to the company's general code of conduct which applies to all Reuters directors, officers and employees. No amendments to, or waivers in respect of, either code were made during 2003. Copies of the codes are available on request from the Company Secretary and can be viewed at www.about.reuters.com. In addition, Instinet Group has adopted a code of conduct which applies to its directors, officers and employees and can be viewed at www.instinetgroup.com.

In view of regulatory developments, in April 2003 the committee adopted a revised Auditor Independence policy. The policy applies to the Group's primary auditors and any other firm serving as an auditor to any entities in the Group (other than Instinet Group, as explained below). The policy requires all audit engagements to be approved by one or more members of, and reported to, the committee. It prohibits Group entities from engaging the auditors in activities prohibited by the SEC. The policy permits the auditors to be engaged for other services provided the engagement is specifically approved in advance by the committee or meets the detailed criteria of specific pre-approved activities and is notified to the committee. Any services where the expected level of fees is greater than £150,000 or the expected term is longer than one year, even if otherwise satisfying the detailed criteria, must be approved in advance by the committee. The exception to this is Instinet Group, which uses the same auditors as Reuters and, as a US publicly traded company is separately subject to the auditor independence requirements; the Instinet Group audit committee therefore oversees the use by Instinet Group of the independent auditors, under a policy which generally requires that all such engagements must be specifically approved in advance by the Instinet Group audit committee (which includes Ian Strachan, who is also a member of the Reuters Audit Committee).

For details regarding fees paid to the Group's auditors, see note 2 on the consolidated profit and loss account on page 46.

The committee may engage, at the company's expense, independent counsel and other advisors as it deems necessary to carry out its duties. None was engaged during the year.

Corporate governance continued

The Remuneration Committee has oversight of executive remuneration policy. Information concerning the Remuneration Committee is set out in the Remuneration Report on page 17.

The Nominations Committee makes recommendations to the Board about future appointments of non-executive directors, the Chairman and the Chief Executive and considers recommendations from the Chief Executive to the Board about the future appointment of executive directors. Henceforth, the committee will give due consideration to the new Combined Code's provisions relating to directors when making future appointments to the Board.

During the year, following a review by the Board, new terms of reference for the committee were adopted. These are available from the Company Secretary on request and can be viewed at www.about.reuters.com. The new terms clarify that the committee's remit includes:

- leading the process for all nominations for appointment, re-appointment, promotion, substantial changes in duties or responsibilities, dismissal or non re-appointment of the Chairman, the Chief Executive and the directors and making recommendations to the Board thereon;
- reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to any changes considered desirable;
- evaluating the skills and knowledge required for any nomination in light of the current Board composition;
- for the Chairman and the non-executive directors, preparing a job specification including details of the time commitment required; and
- reviewing succession planning of the Board and reviewing the management's succession plan to ensure adequacy.

In 2003, the composition of the committee was changed, from being all the non-executive directors, chaired by Sir John Craven, to Sir Christopher Hogg, Richard Olver and Niall FitzGerald, chaired by Sir Christopher Hogg. The Board has determined that these directors are independent according to the Nasdaq definition. The new terms of reference require the committee to meet at least twice a year. A director may not attend or be involved in any decision concerning him or his successor. The committee has appointed an external adviser to assist it in its work in identifying potential candidates for non-executive directorships.

During 2003, the Nominations Committee considered and supported the Chief Executive's recommendation that Devin Wenig be appointed as an executive director. It also managed the chairmanship succession process, identifying candidates and making a recommendation to the Board. In March 2004 the process was completed when the company announced the appointment of Niall FitzGerald as Chairman with effect from 1 October 2004 and agreed the terms of appointment with him.

Executive Committees

The Group Management Committee (GMC), which is chaired by the Chief Executive, approves and implements strategy, manages the Group and monitors performance. It comprises the three executive directors and the senior managers listed on page 12. It meets 22 times a year.

The Budget and Investment Committee, which is chaired by the Finance Director and has 10 senior managers as its members, was established during 2003. It allocates the resources required to realise Reuters strategy and achieve its objectives.

Relations with shareholders

The executive directors meet regularly with institutional shareholders and analysts. Non-executive directors are offered the opportunity to attend meetings with major shareholders and from time to time some attend the presentations of the annual results to analysts.

An investor relations department is dedicated to facilitating communications between the company and its shareholders. A new feature in the investor relations programme introduced during the year was 'teach-ins' in which Reuters executives gave detailed presentations to investors on certain aspects of the company's business.

Non-executive directors receive a regular report on investor relations as part of the routine board report materials. This year the company's brokers carried out a survey of investors' views and the results of this survey were communicated to the Board. Similar surveys are planned at two-year intervals.

The company's annual general meeting is used as an opportunity to communicate with private investors. The chairmen of each of the Board committees are available to answer questions at the annual general meeting and all directors are expected to attend the annual general meeting. At the annual general meeting, the level of proxies lodged on each resolution and the balance for and against the resolution and the number of votes withheld are announced after the resolution has been voted on by a show of hands. The results of voting at the annual general meeting in 2004 will be available on Reuters website: www.reuters.com.

Directors' responsibilities, internal controls and financial reporting

The directors' responsibilities and information on internal controls and financial reporting can be found on page 25.

A Disclosure Committee, chaired by the Chief Executive was set up in 2002. Its members comprise the Chief Executive, the Finance Director, the Director of Corporate Communications, the General Counsel and Company Secretary, the Area General Counsel for the Americas, the Head of Global Finance, the Head of Internal Audit and the Head of External Reporting. The Committee meets quarterly to review the Reuters Group's trading statements and financial results and to consider the adequacy of the Group's internal controls over financial reporting and disclosure controls and procedures.

Remuneration report

The report below sets out the Group's executive remuneration policy and structure and details of the remuneration received by the Group's directors and senior managers in respect of the year ended 31 December 2003. Shareholders will be invited to approve this report at the annual general meeting on 22 April 2004.

1 Consideration of remuneration matters

The Board has overall responsibility for determining the framework of executive remuneration and its cost, and is required to take account of any recommendations made by the Remuneration Committee. The Board has delegated to the Remuneration Committee, through formal terms of reference, oversight of the specific remuneration packages for the executive directors and consideration of executive remuneration issues generally, including the use of equity incentive plans in particular.

The Remuneration Committee consists solely of non-executive directors. All members of the Remuneration Committee have been determined by the Board to be independent as defined by Nasdaq. Its current members are Charles Sinclair (Chairman), Edward Kozel and Roberto Mendoza. Sir Christopher Hogg stepped down from the Remuneration Committee on 17 February 2003. The Company Secretary is secretary to the Remuneration Committee. The Remuneration Committee met four times in 2003. All members were present at each meeting except that Edward Kozel was absent from one meeting.

The Chief Executive normally attends meetings of the Remuneration Committee, but is not present at any discussion concerning his own remuneration. For the year under review, the Remuneration Committee was also advised internally by the Group Human Resources Director and the Global Head of Performance & Reward. The terms of reference permit the Remuneration Committee to obtain its own external advice on any matter, at the company's expense, although it did not do so in 2003. The Group takes external advice and information from many sources in preparing proposals for the Remuneration Committee. Reuters received information from Towers Perrin, Mercer HR Consulting and Watson Wyatt in relation to remuneration decisions made during 2003.

2 Remuneration policy

Executive directors

The Remuneration Committee aims to ensure that remuneration and incentive arrangements are market-competitive, consistent with best practice and support the interests of shareholders.

In practical terms, this means that the reward structure for directors should attract, motivate and retain high-calibre individuals capable of leading the Group successfully. To achieve this in a global business environment, the Group's executive remuneration must reflect the competitive practices of its principal competitors and the other multi-national businesses with which it competes for talent. The Remuneration Committee believes that market determined executive pay, with a heavy emphasis on the variable remuneration elements, is the best way to ensure the Group has the high-performing executives necessary to achieve its immediate and longer-term strategic objectives. It is not the Group's intention to pay more than is necessary for this.

Consistent with this view, total executive remuneration is calibrated to deliver mid-market rewards at expected levels of personal and corporate performance. Variable reward components will provide an opportunity for much higher levels of remuneration where this is supported by exceptional performance, whether on an individual level or in relation to the Group's short-term and longer-term business priorities.

Reuters has made a number of changes to executive remuneration over the past few years and an increased proportion of executive reward is variable and wholly dependent upon the Group's performance. As such, the structure of the individual packages currently in place includes a significant proportion of reward that is

Proportion of fixed versus variable pay

	Fixed		Variable	
	Base pay %	Bonus %	Long-term incentives %	Total %
Tom Glocer	18	22	60	100
David Grigson	32	32	36	100
Devin Wenig	32	32	36	100
Philip Green	Not applicable. Please see notes in emoluments table.			

Variable rewards will continue to be provided through a balanced mix of performance-related elements. The annual cash bonus plan supports operational objectives over the financial year, while the long-term incentive plan will reward superior performance relative to the Group's competitors over the medium term and share options will support the Group's growth objectives and reward share price recovery.

The Remuneration Committee also believes that, in addition to participating in equity-based incentive plans, the executive directors should build and maintain a personal equity stake in the company. To this end, a personal shareholding policy is operated requiring each executive director to accumulate a personal holding worth twice his basic salary within five years.

Non-executive directors

Non-executive directors are appointed for an initial period of six years, subject to review after three years. Following the initial six-year period, non-executive directors may be invited to continue as a director for a further period, subject always to the requirement to stand for re-election by shareholders at least every three years. Non-executive directors who serve more than nine years may offer themselves for re-election by shareholders annually.

Non-executive directors have letters of engagement rather than service contracts and are not eligible to participate in Reuters executive share plans. Charles Sinclair was invited to join the Board in October 1993, Sir John Craven in February 1997, Richard Olver in September 1997, Roberto Mendoza in February 1998, Edward Kozel in February 2000, Ian Strachan in April 2000 and Niall FitzGerald in January 2003. No letter of engagement contains any provision for compensation in the event of termination outside of the periods referred to above.

The Chairman's remuneration is determined by the Board, who in reaching future decisions on appropriate levels of pay will continue to have regard to the packages awarded to chairmen of other UK listed companies of a similar size and complexity. In 2003, the Chairman's remuneration was £262,500 and this will be increased to £290,000 per annum for 2004.

With effect from 1 October 2004, Niall FitzGerald will succeed Sir Christopher Hogg as the Chairman of the Group. Niall FitzGerald will be paid an annual fee of £500,000.

The Group's shareholders directly determine the remuneration paid to the non-executive directors which has been set at £35,000 per annum since 2000. It is proposed that a new fixed fee of £50,000 per annum be established in respect of tenure from 1 January 2004.

The Board determines the fees payable to each non-executive director who chairs a Board committee. For 2003, these were £15,000 per annum, £10,000 per annum and £5,000 per annum for chairing the Audit, Remuneration and Nominations Committees respectively. The Chairman assumed the chairmanship of the Nominations Committee on 1 January 2004; he has currently waived the receipt of any fees for this chairmanship. Sir John Craven receives an additional £5,000 per annum for acting as the Senior Independent Director.

performance related, with basic pay representing well under half of the target earnings potential. In 2003, excluding pension entitlements, the targeted composition of each executive director's remuneration was as follows:

Remuneration structure

It is Reuters general policy to construct executive remuneration packages as described below. However, in order to ensure the Group is able to recruit and retain the best senior executives, the Remuneration Committee believes it needs to maintain the freedom to negotiate terms of employment on an individual basis, taking account of the circumstances of each case. Where it is necessary, special arrangements will also be made to accommodate the needs of, for example, international executives who are required to relocate.

Remuneration report continued

Basic salary and benefits

In formulating and reviewing pay packages for the executive directors, the Remuneration Committee receives comparator group information and assistance from independent remuneration consultants. Reuters policy is to maintain a salary structure based upon the mid-market of Reuters comparator group of companies. The Remuneration Committee is also guided by salary levels among other executives and across the Group as a whole. The executive directors indicated that they did not wish to receive a salary increase in 2003, and subsequently, for 2004. The Remuneration Committee has affirmed this position.

Non-cash benefits are provided to executive directors and the Chairman in line with normal market practice. All executive directors receive company car and private healthcare benefits. Life and disability insurance is provided as part of the pension arrangements for each executive director and the Chairman. Under the terms of Tom Glocer's relocation agreement, Reuters provides accommodation in the UK and pays home leave expenses for him and his family.

Pensions

Since April 1999 it has been the Group's policy that all new UK employees, including executive directors, are offered participation in a defined contribution pension plan. In the case of UK executive directors, in lieu of pension provisions above the statutory earnings cap (where applicable) an additional taxable allowance is granted. In the US, all employees are offered participation in a defined contribution (401K) plan. In lieu of a contribution on salary above the tax qualified limit, an additional contribution is granted to a Supplementary Employee Retirement Plan (SERP). The SERP is unfunded.

Annual performance-related bonus

Bonus arrangements are normally negotiated individually and included in each executive director's service contract. The Remuneration Committee determines performance targets annually. Bonus payments are non-pensionable.

In 2003, the executive directors were eligible for an annual cash bonus, with a maximum level of 100% of base salary for all but Tom Glocer, whose maximum level was 125% of salary. Bonus targets were set on a sliding scale and included a mix of financial and strategic measures: 60% of the bonus potential was based on performance against financial measures; 30% on budgeted Reuters operating profit before restructuring, amortisation of goodwill and other intangibles and impairments (Target Operating Profit); 15% on budgeted Reuters revenue; and 15% on a cash conversion target. The remainder of the bonus potential was divided equally between a target to improve the externally measured customer satisfaction index and the achievement of the Fast Forward programme transformational targets.

In February 2004, the Remuneration Committee considered 2003 performance, relative to the specified targets, and awarded bonuses of 78.5% to the executive directors of the maximum potential based on the achievements during 2003. No payment was made in respect of the revenue measure. For 2004, the Remuneration Committee has determined to maintain a strong emphasis on financial performance with 60% of the maximum bonus potential being measured against Target Operating Profit, budgeted revenue and cash conversion targets.

In addition, the Remuneration Committee has introduced a profit threshold, based on Target Operating Profit below which no bonuses will be paid. For the most senior levels of management, a proportion of bonus above a target level will be paid in shares, receipt of which will be deferred for three years.

The Remuneration Committee has also determined to maintain focus on achieving Reuters transitional objectives, and to this end, the bonus structure will also incorporate measures relating to customer

performance. Details of all share incentive awards outstanding for each executive director serving during 2003 are set out on pages 22 and 23. All executive directors' future entitlements are subject to the performance conditions applicable to the relevant plan as disclosed below. Other than as described below, the company has no present intention of making any significant change to the executive directors' existing entitlements under these plans.

During 2003, the Remuneration Committee reviewed the operation of the existing equity plans and resolved to introduce a number of changes to the way these will operate in the future. These include the removal of a number of re-testing provisions in the plans and, in order to reduce the dilution impact of the share option plans, the Remuneration Committee proposes to introduce a Restricted Share Plan for employees below the Group Management Committee (GMC) level and an Annual Bonus Profit Sharing Plan. Further details of these are provided below.

LTIP: since 1993, Reuters has operated a long-term incentive plan which seeks to encourage and reward long-term growth in shareholder value. It is Reuters practice to make an annual award of contingent share rights to executive directors and those senior managers most able to influence corporate performance. From 2003, awards are based on the fair market value per share using option pricing methodology. The fair market value ascribed to each share for LTIP purposes is presently 39.9% of current market value.

The Remuneration Committee considers that relative total shareholder return (TSR) remains the most appropriate measurement criterion for the LTIP. Whilst endorsing relative TSR as a measure, the Remuneration Committee recognises that the company does not naturally fall into any one of the existing FTSE industrial sectors. Accordingly, the Remuneration Committee believes that the FTSE 100 generally, rather than one individual sector e.g. media and photography, remains the most appropriate peer group for comparison purposes.

Under the terms of his service contract, annual equity awards to Tom Glocer will be based on a fair market value, calibrated by reference to the average of the mid-market position of a comparator group of FTSE 100 companies, with significant international operations (excluding the top and bottom five companies measured by market capitalisation) and the mid-market position of a US comparator group comprising media companies. For both comparator groups, the data has been provided by Towers Perrin. LTIP awards will form part of the total equity grant. Details of the grants for 2003 are set out in the table on page 22.

For 2004, it is anticipated that the fair market value of Tom Glocer's LTIP award will be approximately 108% of basic salary. The other executive directors will receive awards in 2004 with a fair market value of approximately 81% of base salary.

To be consistent with the objectives of the plan, and to ensure the Group's growth is measured relative to other major UK companies, performance is measured over a three-year period by comparing the TSR of the Group with that of other companies comprising the FTSE 100 at the beginning of the period. The companies are ranked according to their TSR for the measurement period with the company having the highest TSR ranked first. As a matter of good practice, the measurements are verified independently before being presented to the Remuneration Committee for approval.

For 2003 awards, the Group's position on the list determines the extent to which plan awards will vest. The Group must achieve median TSR performance for a proportion of the award to vest: full vesting only occurs for top quartile performance. Between those positions, awards vest on a straight line scale starting at 4% for median performance. If awards made prior to 2003 do not vest or only partially vest after three years, the plan permits the measurement period to be extended by up to two years under a re-testing provision.

satisfaction and delivery against specific product development and delivery targets. As Reuters progresses through this transitional phase, it is anticipated that the bonus factors will be re-weighted to provide an even greater emphasis on financial performance with an increased weighting being ascribed to growth and revenue.

Under the terms of his service contract, effective from 23 July 2001, Tom Glocer's bonus potential will rise to 150% for 2004.

Equity incentive plans

The executive directors also participate in a discretionary share option plan (DSOP) and a long-term incentive plan (LTIP) designed to reward longer-term

Subject to shareholder approval being given at the 2004 annual general meeting, from 2004, the re-testing provision will be removed and accordingly the plan will not permit any extension of the measurement period if the awards do not, or only partially, vest. Awards that do not meet at least the median performance condition on completion of the performance period will lapse. Future awards shall continue to vest in full for top quartile performance, with one-third of the initial award vesting for median performance, with proportionate vesting for incremental performance between these points.

The pre-set vesting criteria for awards which vested during 2003 or which have not yet vested are shown in the table below together with the actual ranking at 31 December 2003 (or on vesting if earlier). Awards vesting under the plan are not released until at least five years from the date of grant.

Date measurement period commenced	Pre-set vesting criteria		
	Rankings for 100% vesting	Rankings for zero vesting	Ranking at 31 December 2003
1 January 2000	1 to 26	66 to 100	90
1 January 2001	1 to 25	51 to 100	88
1 January 2002	1 to 25	51 to 100	97
1 January 2003	1 to 25	51 to 100	99

In order to smooth the opening and closing points of measurement, the average of the daily closing prices for the immediately preceding twelve months is used as the initial and final share prices when calculating the TSR. Shares awarded under the plan will continue to be met from existing shares held by Reuters employee share ownership trusts (ESOTs). The costs are charged to the profit and loss account over the vesting periods.

DSOP: a global discretionary stock option plan was adopted by the Remuneration Committee in October 2000 and approved by shareholders in April 2001. It aims to reward growth in earnings and in the share price. Therefore, the options granted to executive directors can only vest if the percentage growth in the Group's earnings per share (EPS) exceeds the percentage growth in the retail price index by more than 9% over the three year performance period. For existing awards, if the target is not met, the performance period may be extended by up to two years with an increase of 3% in the hurdle rate of EPS growth for each year added to the performance period. If the target rate is not met by the end of the fifth year the options will lapse.

These performance conditions were established in 2001 to retain management focus on earnings in a particularly challenging market. The Remuneration Committee believes that it is appropriate to retain the performance conditions for executive directors at this stage in Reuters transition. However, from 2004, the re-testing provision will be removed and accordingly, awards will not permit any extension of the measurement period. If the awards do not meet the EPS performance condition upon completion of the initial performance period they will lapse.

The performance conditions have been measured for the June 2001 grant which was the first grant to executive directors with these performance conditions. The performance conditions were not met and will be subject to a performance re-test at the end of 2004. In 2003, there were no performance conditions for options granted to participants other than the executive directors.

The executive directors are contractually entitled to participate in the DSOP. Under the terms of his service contract, annual equity awards to Tom Glocer are based on a fair market value using the option pricing methodology which currently ascribes to each share a value of 27.5% of the market price. 2003 awards are detailed in the table set out on page 23. For 2004, it is anticipated that the fair market value of Tom Glocer's DSOP award will be approximately 217% of basic salary. Other executive directors' awards will be made at a fair market value of approximately 69% of basic salary. It is the Remuneration Committee's practice to divide participants' annual entitlements into two awards, normally made in February and August each year.

To reduce the dilutive impact DSOPs have on shareholders' interests, it is intended that the number of participants be reduced significantly. In the future, participation will normally be confined to executive directors and members of the GMC. Subject to obtaining shareholder approval, a Restricted Share Plan, as described below, will be introduced for other Reuters employees.

SAYE Plan: an all-employee international savings related share option plan is offered in which the Chairman and the executive directors are

Legacy plans: there are several legacy plans under which Tom Glocer and Devin Wenig received awards prior to becoming executive directors of the Group. It is not intended that executive directors should receive any further awards under these plans.

Performance related share plan (PRSP): this plan operated from 1995 to 2001 and targeted senior executives not participating in the LTIP. Tom Glocer and Devin Wenig hold awards granted before they became executive directors of the Group. The performance condition is the same as for the LTIP, although vested shares can be released three years after grant.

Deferred bonus share plan (DBSP): restricted share awards were made in 2000 as a special retention bonus to a total of around 100 senior managers excluding the directors in office at that time. As a retention tool, and in line with the then market practice, they were made conditional only on remaining in employment until the shares vested. These awards vested in February 2002 and February 2003. Tom Glocer has deferred the vesting of his shares under the plans, which are currently due to vest in April 2004 subject to any further deferral that he may elect to make. The shares awarded under the plan are satisfied by existing shares from the Group's ESOTs.

Executive stock option plan (ESOP): Tom Glocer participated in an executive stock option plan operated in 1993 and 1994. Options under the plan carry no performance conditions and vested automatically on the third anniversary of grant.

Plan 2000: a one-off all-employee option grant was made in 1998 in order to support the retention of employees over the millennium period. In common with such all-employee plans, there is no performance condition to be satisfied. All employees, including the executive directors, were given the opportunity to apply for an option to acquire 2,000 shares at an exercise price of £5.50 per share. These options became exercisable in September 2001 and will normally expire in September 2005. A small supplementary grant was made to new employees in March 1999, at an option price of £8.14 and these will normally expire in March 2006. The company may issue new shares to satisfy options granted under this plan.

Restricted Share Plan: the company will seek shareholder approval during 2004 to introduce a restricted share plan. Restricted shares will not normally be granted for long-term incentive purposes to executive directors or members of the GMC. It is intended that, other than for executive directors and GMC members, Reuters employees will be eligible to participate in this plan instead of the DSOP. This new plan will enable Reuters to provide market competitive remuneration, whilst reducing the dilution impact to shareholders. Other than in the year of introduction, employees would generally not be eligible to participate in the DSOP and the Restricted Share Plan in the same year.

Annual Bonus Profit Sharing Plan: on 18 December 2003, Reuters announced its intention to introduce a new profit sharing plan across the all-employee population. This plan is being introduced to focus Reuters employees on reward for profit growth. Executive directors and members of the GMC will not participate in this plan. Payments under the plan will typically be made in the form of shares which will normally be subject to a 12 month vesting period.

3 Performance graph

The Group's TSR for the five years to 31 December 2003 compared with the return achieved by the FTSE 100 index of companies is shown below. This index is used as the comparator group for the performance conditions attached to the LTIP and PRSP referred to above. The calculations assume the reinvestment of dividends.



eligible to participate. Participants save a fixed monthly amount of up to £250 (subject to a maximum, established annually for each offer) for three or five years and are then able to use their savings to buy the Group's shares at a price set at a 20% discount to the market value at the start of the savings period. In line with market practice, no performance conditions attach to options granted under this plan. For the 2003 offer, the fixed monthly savings amount was established at a maximum of £100 per month with a three year savings period.

Remuneration report continued

4 Service contracts

It is the company's policy that new directors be offered notice periods of not more than one year. The Group recognises, however, that, in the case of appointments from outside the company, a longer notice period may initially be necessary, reducing to one year subsequently. The Remuneration Committee ensures that appropriate provisions are in place in the event of the termination of any director's service contract.

Tom Glocer has a service contract, with an effective date of 23 July 2001, normally terminable by him on 90 days' notice or, where due to the fault of the Group, on 30 days' notice. The company may terminate without cause on 30 days' notice. In the event of termination by Tom Glocer due to the fault of the company or by the company without cause, on or before 1 July 2003, he was entitled to a compensation payment equal to twice the sum of his basic annual salary and an estimated annual bonus calculated by reference to the highest bonus percentage received in the previous three years. Following an agreed change to the terms of his contract, where the company terminates his contract without fault attributable to him, Tom Glocer's compensation will be limited to a maximum of 12 months' accrued benefits being annual salary, annual bonus and pension contributions. However, in the event of a change in control of the company, the contract will revert to its original terms and Tom Glocer will be entitled to a maximum amount of compensation based on 20 months' salary, annual bonus and pension contributions, if such change of control occurs prior to 1 July 2004. He will be entitled to 16 months' salary, annual bonus and pension contributions, if such event occurs prior to 1 July 2005 and 12 months' salary, annual bonus and pension contributions thereafter.

In the event of termination at any time which is not due to the fault of Tom Glocer, he retains the benefit of any outstanding share plan awards as if his employment had not ceased. In addition, Tom Glocer and his family retain

the life assurance, private healthcare benefits provided by the company for one year following termination.

David Grigson's and Devin Wenig's contracts have effective dates of 21 June 2001 and 17 February 2003 respectively, and can be terminated on one year's notice. Any termination payment will not exceed an amount equal to the sum of annual salary, bonus and 12 months' pension contributions paid by the company.

On a change of control of the company, all the executive directors are entitled to terminate their contracts on one month's notice unless the acquiring party has, within three months of the change of control, agreed to adopt and uphold the company's Trust Principles (see page 84). Termination payments of a maximum of 12 months' salary, annual bonus and 12 months' pension contributions are payable to David Grigson and Devin Wenig (and to Tom Glocer as previously detailed) in such circumstances.

5 Policy on external appointments

The Group recognises that its directors may be invited to become non-executive directors of other companies or to become involved in charitable or public service organisations. As the Board believes that this can broaden the knowledge and experience of the Group's directors to the benefit of the Group, it is the Group's policy to approve such appointments provided there is no conflict of interest and the commitment required is not excessive. Board approval is required and directors are permitted to retain cash only fees paid for such appointments. For the period 1 January 2003 to 30 June 2003, Philip Green received approximately £7,754 as a director of SKF AB. None of the other executive directors retained any fees for external directorships.

6 Directors' remuneration for 2003

						2003	2002
	Salary/ fees £000	Bonus £000	Benefits ⁹ £000	Expense allowances ¹⁰ £000	Compensation for loss of office £000	Total ¹¹ £000	Total £000
Chairman:							
Sir Christopher Hogg	263	–	15	–	–	278	277
Non-executive directors:							
Sir John Craven	45	–	–	–	–	45	45
Edward Kozel	35	–	–	–	–	35	35
Niall FitzGerald ¹	35	–	–	–	–	35	–
Roberto Mendoza	35	–	–	–	–	35	35
Richard Olver	50	–	–	–	–	50	45
Charles Sinclair	45	–	–	–	–	45	45
Ian Strachan ²	204	–	–	–	–	204	110
Executive directors:							
Tom Glocer ³	816	801	281	–	–	1,898	1,710
Philip Green ⁴	225	–	14	58	834	1,131	836
David Grigson ⁵	400	314	2	69	–	785	690
Devin Wenig ⁶	312	274	12	11	–	609	–
Total emoluments of directors⁷	2,465	1,389	324	138	834	5,150	4,714

Other senior managers as a group (10 persons)⁸

Notes: (For disclosure purposes, all amounts have been rounded up to the nearest thousand.)

1. Niall FitzGerald does not personally receive the payment of £35,000 which is made directly to Unilever PLC.
2. Fees paid to Ian Strachan include £168,712 in respect of his position as a non-executive director (Chairman) of Instinet Group and £35,000 in respect of his position as non-executive director of the company. He also received from Instinet Group 9,995 restricted stock units, which vested in May 2003 with a market value of £22,198, and 20,718 restricted stock units which will vest in May 2004.
3. Non-cash benefits received by Tom Glocer included accommodation costs of £239,166, travel and relocation related expenses of £19,878, and company car and healthcare benefits totalling £21,532.
4. Philip Green resigned from the Board and as an employee on 30 June 2003. Under the terms of his service contract Philip Green was entitled to a termination payment of £815,000 being equivalent to one year's salary, average bonus payment and annual employer's pension contributions. He was made a gift of his company car, valued at £18,800, in lieu of any entitlement to a bonus for 2003, which would otherwise have been £176,625. In addition, in accordance with the provisions in place for all employees whose position is made redundant, Philip Green was provided with outplacement support. For Philip Green, this was an amount up to a maximum value of £25,000; this does not represent monies received by Philip Green, but is the maximum amount payable to a third party to provide the services. He also received a car, private healthcare and life insurance benefits of £14,000 and a retirement allowance of £58,000 whilst in office.

6. Directors' remuneration for 2003 continued

5. David Grigson received healthcare benefits of £1,470, a car allowance of £7,420 and a retirement allowance of £61,000
6. Devin Wenig was appointed an executive director on 17 February 2003 and therefore the amounts shown for Devin Wenig as a director are for the period 17 February 2003 to 31 December 2003. His emoluments for the period 1 January 2003 to 16 February 2003 are included within the collective numbers for senior managers. He received private health care benefits of £12,000 and a car allowance of £11,000.
7. The total for directors in 2002 includes payments of £27,000 and £859,000 respectively to Dennis Malamatinas and Geoffrey Weetman who retired in 2002.
8. The senior manager group consisted of 10 persons in total, including Devin Wenig for the period 1 January 2003 to 16 February 2003, prior to his appointment as executive director on 17 February 2003. Stephen Mitchell is included up to 31 August 2003 when he left the Group. Christian Verougstraete and Simon Walker are included from 3 March 2003 and 8 January 2003, when each respectively joined the Group. Rosemary Martin is included from 23 June 2003 when she was appointed to the GMC.
9. Items included under Benefits are those provided as goods and services during the year.
10. Items included under Expense Allowances are contractual benefits, which are paid in cash rather than as goods and services during the year.
11. The total aggregate emoluments for the directors for the period 1 January 2003 to 31 December 2003 which excludes termination payments were £4.4 million. The total equivalent emoluments for 2002, which included the emoluments of certain directors not serving during 2003, were £4.1 million, excluding termination payments of £0.6 million.

Directors' pensions

Tom Glocer, David Grigson and Devin Wenig participate in defined contribution pension arrangements.

Tom Glocer participates in the Group's US pension arrangements and is entitled to a pension allowance of 20% of his base salary during 2003 and 25% of his base salary for 2004. David Grigson is a member of the Reuters Retirement Plan in the UK and receives a contribution in respect of pension benefits equal to 20% of the UK earnings cap. Both are entitled to a lump sum death in service benefit whilst in service of four times basic salary.

Devin Wenig participates in the Group's US pension arrangements and is entitled to a pension allowance of 6% of his base salary. He is entitled to a lump sum death in service benefit of US\$1 million.

Philip Green was a member of the Reuters Retirement Plan in the UK and received a contribution in respect of pension benefits equal to 20% of the UK earnings cap, pro-rated to 30 June 2003. The Group continued to provide death in service benefit of four times his Reuters base salary up until 31 December 2003.

Group contributions and allocations (including the cost of life cover) in respect of these directors in 2003 were:

	Age	Company contribution in respect of period £000
Tom Glocer	44	167
David Grigson	49	23
Philip Green	50	191
Devin Wenig	37	222

1. The contribution in respect of Philip Green includes the cost of securing continued life cover beyond his date of termination.
2. The contribution in respect of Devin Wenig reflects the Group contribution for the full year. Since his appointment as an executive director on 17 February 2003, the contribution was £20,000.

The Chairman has been admitted as a member of the Reuters Pension Fund for the purpose only of providing a fixed lump sum benefit of £300,000 for his dependants in the event of his death in service. Under an unfunded pension arrangement, the Chairman is entitled to a pension of 2.5% of his annual fee times the number of years' service, from the date of his appointment as Chairman in May 1985 to the date his office terminates.

Pension benefits earned during 2003 by the Chairman are as set out in the following table.

Name	Age	Accrued pension at 31 December 2003 £000	Director's contributions during the year £000	Increase in accrued pension during the year £000	Increase in accrued pension during the year (net of inflation) £000	Transfer value of accrued pension 31 December 2002 £000	Transfer value of accrued pension 31 December 2003 £000	Increase in transfer value, net of director's contributions £000
Sir Christopher Hogg ¹	67	123	–	7	5	1,802	1,878	76

1. The Group also paid an amount of £5,600 in respect of life cover for the Chairman.

The information shown above complies with requirements under both the London Stock Exchange Listing Rules and the Directors' Remuneration Report Regulations 2002. The transfer values have been calculated in accordance with the guidance note 'GN11' published by the Institute of Actuaries and Faculty of Actuaries.

The total amount of contributions or accruals made by the Group in 2003 to provide pension and similar benefits for the directors was £368,000 (2002: £1.76 million) and for the directors and the non-director senior managers as a group was £1,024,000 (2002: £ 2.15 million). These aggregate figures include an accrual of £58,000 and £65,000 respectively for the investment returns within the US executive pension arrangements. These investment returns are calculated based on each individual's national fund choices made by reference to actual investment funds and the actual investment returns achieved on these funds.

Remuneration report continued

Directors' interests in long-term incentive plans

	Plan ¹	Date of award	Number at	Number granted during period	Market value per share at grant	Number vested during period ²	Number (exercised) during period	Number (lapsed) during period	Number at	End of qualifying period	Date from which rights are exercisable	Expiry date
			1 January		for awards made during period				31 December 2003 (or earlier date of departure)			
Tom Glocer	PRSP ³	1 Apr 1999 ⁵	9,855	–	–	–	(9,855)	–	–	31 Dec 01	1 Jan 02	31 Dec 05
		1 Apr 1999 ⁵	42,596	–	–	–	(42,596)	–	–	31 Dec 01	1 Jan 02	31 Dec 05
	LTIP ³	15 Mar 2000 ⁵	33,518	–	–	–	–	–	33,518	31 Dec 04	1 Jan 05	31 Dec 06
		25 Jun 2001	174,451	–	–	–	–	–	174,451	31 Dec 04	1 Jan 06	31 Dec 07
		20 Feb 2002	234,974	–	–	–	–	–	234,974	31 Dec 04	1 Jan 07	31 Dec 08
	DBSP	24 Feb 2003	–	1,731,277	135p	–	–	–	1,731,277	31 Dec 05	1 Jan 08	31 Dec 09
		24 Mar 2000 ⁵	75,000	–	–	–	–	–	75,000	15 Feb 02	6 Apr 04	n/a
		30 May 2000 ⁵	60,000	–	–	–	–	–	60,000	15 Feb 03	6 Apr 04	n/a
Total			630,394	1,731,277		–	(52,451)	–	2,309,220			
Philip Green	PRSP ³	1 Apr 1999 ⁴	100,000	–	–	–	(100,000)	–	–	31 Dec 01	1 Jan 02	31 Dec 05
		LTIP ³	15 Mar 2000	24,320	–	–	–	–	24,320	31 Dec 04	1 Jan 06	31 Dec 06
	LTIP ³	25 Jun 2001	55,426	–	–	–	–	(9,238)	46,188	31 Dec 04	1 Jan 06	31 Dec 07
		20 Feb 2002	68,411	–	–	–	–	(34,206)	34,205	31 Dec 04	1 Jan 07	31 Dec 08
		24 Feb 2003	–	225,000	135p	–	–	(187,500)	37,500	31 Dec 05	1 Jan 08	31 Dec 09
Total			248,157	225,000		–	(100,000)	(230,944)	142,213			
David Grigson	LTIP ³	5 Dec 2000	42,579	–	–	–	–	–	42,579	31 Dec 04	1 Jan 05	31 Dec 06
		25 Jun 2001	26,294	–	–	–	–	–	26,294	31 Dec 04	1 Jan 06	31 Dec 07
		20 Feb 2002	37,205	–	–	–	–	–	37,205	31 Dec 04	1 Jan 07	31 Dec 08
		24 Feb 2003	–	200,000	135p	–	–	–	200,000	31 Dec 05	1 Jan 08	31 Dec 09
Total			106,078	200,000		–	–	306,078				
Devin Wenig	PRSP ³	15 Mar 2000 ⁵	18,166	–	–	–	–	–	18,166	31 Dec 04	1 Jan 05	31 Dec 06
		29 Mar 2001 ⁵	20,704	–	–	–	–	–	20,704	31 Dec 04	1 Jan 05	31 Dec 07
	LTIP ³	25 Jun 2001 ⁵	2,295	–	–	–	–	–	2,295	31 Dec 04	1 Jan 06	31 Dec 07
		20 Feb 2002 ⁵	22,047	–	–	–	–	–	22,047	31 Dec 04	1 Jan 07	31 Dec 08
		24 Feb 2003	–	200,000	135p	–	–	–	200,000	31 Dec 05	1 Jan 08	31 Dec 09
Total			63,212	200,000		–	–	263,212				
Other senior managers as a group (10 persons) (2002: 8 persons)												
Other senior managers as a group (10 persons) (2002: 8 persons)	PRSP ³	15 Sep 1998	23,886	–	–	–	–	–	23,886	31 Dec 00	1 Jan 01	31 Dec 04
		1 Apr 1999	17,280	–	–	–	–	–	17,280	31 Dec 01	1 Jan 02	31 Dec 05
		1 Apr 1999	79,753	–	–	–	(22,217)	–	57,536	31 Dec 01	1 Jan 02	31 Dec 05
		15 Mar 2000	112,216	–	–	–	–	–	112,216	31 Dec 04	1 Jan 05	31 Dec 06
		29 Mar 2001	82,570	–	–	–	–	–	82,570	31 Dec 04	1 Jan 05	31 Dec 07
	LTIP ³	30 Jun 1997	30,191	–	–	–	(30,191)	–	–	31 Dec 00	1 Jan 01	31 Dec 03
		1 Apr 1999	55,956	–	–	–	–	–	55,956	31 Dec 01	1 Jan 04	31 Dec 04
		1 Apr 1999	58,425	–	–	–	–	–	58,425	31 Dec 01	1 Jan 04	31 Dec 05
		15 Mar 2000	44,687	–	–	–	–	–	44,687	31 Dec 04	1 Jan 06	31 Dec 06
		25 Jun 2001	35,176	–	–	–	–	(401)	34,775	31 Dec 04	1 Jan 06	31 Dec 07
		20 Feb 2002	136,072	–	–	–	–	(6,887)	129,185	31 Dec 04	1 Jan 07	31 Dec 08
		24 Feb 2003	58,548	907,982	135p	–	–	(90,741)	875,789	31 Dec 05	1 Jan 08	31 Dec 09
		4 Aug 2003	–	208,333	135p ⁶	–	–	–	208,333	31 Dec 05	1 Jan 08	31 Dec 09
		Total			734,760	1,116,315		–	(52,408)	(98,029)	1,700,638	

Notes:

- See performance conditions attached to these awards.
- No share awards vested during 2003.
- PRSP awards are available for exercise immediately on vesting. The qualifying period may be extended by up to two years where vesting does not occur or is only partial after the initial three-year period. LTIP awards are subject to a retention period of two years from vesting, save that this is reduced to one year where the performance period has been extended to five years.
- The Remuneration Committee decided that Philip Green's existing LTIP participation rights will continue, on a pro-rata basis reflecting his period of service during the Performance period, until they vest or lapse, as if he had remained an employee for that period. The awards will remain subject to the normal retention period. No other awards had their terms varied during the year.
- The indicated awards were made prior to the appointment of the relevant individual as an executive director of the company.
- The indicated award was made with reference to the market value of a share consistent with the earlier grant in February 2003. The share price on 4 August 2003 was 247.5 pence.

Directors' share options

	Plan ⁴	Date of grant	Exercise price ⁵ (pence)	Number at 1 January 2003 (or later date of appointment)	Number granted during period	Number vested during period ⁶	Number (exercised) during period ⁶	Number (lapsed) during period	Number at 31 December 2003 (or earlier date of departure)	Earliest exercise date	Expiry date
Sir Christopher Hogg	SAYE	11 Mar 1999	667	1,012	–	–	–	–	1,012	1 May 2004	1 Nov 2004
Total				1,012	–	–	–	–	1,012		
Tom Glocer	DSOP	25 Jun 2001	862	565,113	–	–	–	–	565,113	25 Jun 2004	25 Jun 2011
		20 Feb 2002	528	461,295	–	–	–	–	461,295	20 Feb 2005	20 Feb 2012
		2 Aug 2002	266	915,654	–	–	–	–	915,654	2 Aug 2005	2 Aug 2012
		24 Feb 2003	135	–	1,307,514	–	–	–	1,307,514	24 Feb 2006	20 Feb 2013
		4 Aug 2003	245	–	706,594	–	–	–	706,594	4 Aug 2006	4 Aug 2013
	ESOP	9 Feb 1994 ^{1&2}	US\$7.28	13,716	–	–	–	–	13,716	9 Feb 1997	9 Feb 2005
	SAYE	11 Mar 1999 ^{1&2}	US\$13.68	1,512	–	–	–	(1,512)	–	1 May 2004	1 Nov 2004
		11 Apr 2002	448	2,216	–	–	–	(2,216)	–	1 Jun 2007	1 Dec 2007
		16 Apr 2003	90	–	4,200	–	–	–	4,200	1 Jun 2006	1 Dec 2006
	Plan 2000	24 Sep 1998 ²	550	2,000	–	–	–	–	2,000	24 Sep 2001	24 Sep 2005
Total				1,961,506	2,018,308	–	–	(3,728)	3,976,086		
Philip Green ³	DSOP	25 Jun 2001	862	177,494	–	177,494	–	–	177,494	1 Jul 2003	30 Jun 2004
		20 Feb 2002	528	144,886	–	72,443	–	(72,443)	72,443	1 Jul 2003	30 Jun 2004
		2 Aug 2002	266	287,593	–	143,796	–	(143,797)	143,796	1 Jul 2003	30 Jun 2004
		24 Feb 2003	135	–	225,000	37,500	–	(187,500)	37,500	1 Jul 2003	30 Jun 2004
	SAYE	11 Apr 2002	448	1,272	–	490	–	(782)	490	1 Jul 2003	31 Dec 2003
		16 Apr 2003	90	–	4,200	233	–	(3,967)	233	1 Jul 2003	31 Dec 2003
Total				611,245	229,200	431,956	–	(408,489)	431,956		
David Grigson	DSOP	25 Jun 2001	862	92,807	–	–	–	–	92,807	25 Jun 2004	25 Jun 2011
		20 Feb 2002	528	75,757	–	–	–	–	75,757	20 Feb 2005	20 Feb 2012
		2 Aug 2002	266	150,375	–	–	–	–	150,375	2 Aug 2005	2 Aug 2012
		24 Feb 2003	135	–	200,000	–	–	–	200,000	24 Feb 2006	20 Feb 2013
		4 Aug 2003	245	–	200,000	–	–	–	200,000	4 Aug 2006	4 Aug 2013
	SAYE	12 Apr 2001	832	698	–	–	–	(698)	–	1 Jun 2004	1 Dec 2004
		11 Apr 2002	448	2,216	–	–	–	–	2,216	1 Jun 2007	1 Dec 2007
		16 Apr 2003	90	–	4,200	–	–	–	4,200	1 Jun 2006	1 Dec 2006
Total				321,853	404,200	–	–	(698)	725,355		
Devin Wenig	DSOP	27 Dec 2000 ²	1,139	6,913	–	1,728	–	–	6,913	27 Dec 2001	27 Dec 2007
		25 Jun 2001 ²	862	9,135	–	2,283	–	–	9,135	25 Jun 2002	25 Jun 2011
		20 Feb 2002 ²	528	25,936	–	6,484	–	–	25,936	20 Feb 2003	20 Feb 2012
		2 Aug 2002 ²	266	200,000	–	50,000	–	–	200,000	2 Aug 2003	2 Aug 2012
		24 Feb 2003	135	–	200,000	–	–	–	200,000	24 Feb 2006	20 Feb 2013
		4 Aug 2003	245	–	200,000	–	–	–	200,000	4 Aug 2006	4 Aug 2013
	SAYE	10 Mar 2000 ^{1&2}	US\$19.92	585	–	585	–	(585)	–	15 Apr 2003	15 Oct 2003
	Plan 2000	24 Sept 1998 ²	550	2,000	–	–	–	–	2,000	24 Sept 2001	24 Sept 2005
Total				244,569	400,000	61,080	–	(585)	643,984		
Other senior managers as a group (10 persons) (2002: 8 persons)	SAYE	11 Mar 1999	667	1,012	–	–	–	–	1,012	1 May 2004	1 Nov 2004
		10 Mar 2000	992	390	–	390	–	(390)	–	15 Apr 2003	15 Oct 2003
		12 Apr 2001	832	814	–	–	–	–	814	1 Jun 2004	1 Dec 2004
		11 Apr 2002	448	4,760	–	–	–	–	4,760	1 Jun 2005	1 Dec 2005
		16 Apr 2003	90	–	12,600	–	–	–	12,600	1 Jun 2006	–
	DSOP	27 Dec 2000	1,139	38,056	–	11,239	–	–	38,056	27 Dec 2001	27 Dec 2007
		25 Jun 2001	862	146,457	–	17,980	–	–	146,457	25 Jun 2002	25 Jun 2011
		20 Feb 2002	528	192,067	–	31,554	–	(11,394)	180,673	20 Feb 2003	20 Feb 2012
		2 Aug 2002	266	986,559	–	209,046	–	(27,138)	959,421	2 Aug 2003	2 Aug 2012
		24 Feb 2003	135	20,000	852,315	9,375	–	(65,625)	806,690	24 Feb 2004	24 Feb 2013
		1 Apr 2003	108	–	350,208	–	–	–	350,208	1 Apr 2004	1 Apr 2013
		4 Aug 2003	245	–	977,550	–	–	–	977,550	4 Aug 2004	4 Aug 2013
	Plan 2000	24 Sep 1998	550	16,000	–	–	–	–	16,000	24 Sep 2001	24 Sep 2005
Total				1,406,115	2,192,673	279,384	–	(104,547)	3,494,241		

Directors' share options continued

Notes:

- The options indicated are over ADSs and, for the purposes of this disclosure, have been converted into the equivalent number of ordinary shares and an equivalent option price.
- The indicated awards were made prior to the appointment of the relevant individual as a director of the company. The DSOP options granted prior to the appointment as a director have no performance condition.
- On Philip Green's departure on 30 June 2003, unvested DSOP options vested on a pro-rata basis in accordance with the rules of the plan and became exercisable within twelve months. The early exercise provisions under the SAYE Plan and Plan 2000 rules were also triggered, requiring any exercise to take place within six months of his date of departure.
- Options granted under the SAYE Plan, Plan 2000 and the ESOP have no performance conditions. Save as disclosed in note 2 above, exercise of each DSOP award is conditional on the performance criteria described in the remuneration policy section 2 and no performance conditions were varied during 2003.
- At 31 December 2003 the market price of Reuters shares was 235 pence per share and US\$25.35 per ADS. The highest prices during the year were 268.25 pence per share and US\$27.09 per ADS and the lowest were 95.50 pence per share and US\$9.59 per ADS.
- There were no gains on the exercise of share options in 2003 (2002: nil). Additionally, no gains were made on the vesting of shares as the market value share price was below the grant price for all schemes.

7 Directors' interests in ordinary shares

The total interests of the current directors and other senior management in the issued share capital of the Group and in shares underlying options and incentive plans are shown below as at 3 March 2004. No director or senior manager beneficially owns 1% or more of the Group's issued share capital. Interests in ordinary shares (excluding options and interests in long-term incentive plans disclosed above) held at 1 January 2003 and 31 December 2003 are also shown for directors in office at 31 December 2003. Directors were the beneficial owners of all shares except for 814 shares, 35,000 shares and 16,875 shares held by family members of the Chairman, Charles Sinclair and David Grigson respectively and for 52,451 shares held by a trust of which Tom Glocher is a beneficiary.

	Interests at 1 January 2003 Shares	Interests at 31 December 2003 Shares	Interests at 3 March 2004		
			Shares	Options	Long-term incentives
Directors:					
Sir Christopher Hogg	53,321	63,321	63,321	1,012	–
Tom Glocher	24,576	217,058	217,058	4,765,516	2,853,314
David Grigson	10,045	48,430	48,430	848,305	506,078
Devin Wenig	n/a	78,354	78,354	766,934	436,212
Sir John Craven	6,846	6,846	6,846	–	–
Niall FitzGerald	12,500	30,000	30,000	–	–
Edward Kozel	120,000	90,000	67,500	–	–
Roberto Mendoza	28,000	53,000	53,000	–	–
Richard Olver	10,000	10,000	10,000	–	–
Charles Sinclair	32,100	35,000	35,000	–	–
Ian Strachan	1,500	15,500	15,500	–	–
Other senior managers as a group (10 persons)	317,386	433,155	322,125	3,945,536	1,935,407

As at the date of this report Tom Glocher, David Grigson, Devin Wenig and Edward Kozel each held 1,000 shares in the Instinet Group and Ian Strachan held 17,780 shares. The other senior managers as a group held interests in 3,000 shares of Instinet Group.

None of the directors has notified the company of an interest in any other shares, or other transactions or arrangements which require disclosure. There have been no movements in the interests of the directors in the share capital of the Group companies since 31 December 2003 save as otherwise disclosed in this report.

8 Remuneration and pension arrangements for past directors

André Villeneuve, a former director of both the company and Instinet Group, continues to receive his base salary from the Instinet Group of £360,098 (US\$600,000) per annum from 1 January 2003 until 30 November 2004 in accordance with the terms of his severance agreement with Instinet Group. He also received, in February 2003, a payment of £528,294 (US\$861,120) in lieu of bonus entitlements for that same period.

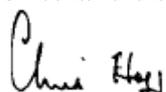
9 Subsidiary undertaking share plans

A few subsidiary undertakings operate share plans over new or existing shares for their directors and employees. Of these, only the stock option plans operated by the Instinet Group are significant for the Group.

The Instinet 2000 Stock Option Plan permits the grant of options up to a maximum of 14% of the common stock outstanding immediately after the completion of the Instinet Group IPO in May 2001. Options may be granted to directors and employees of Instinet Group at an exercise price of not less than fair market value at the date of grant. Options normally vest in instalments over a four-year period and may not exceed a term of ten years. Approximately 1,050 employees and directors of Instinet Group participate in the plan. At 31 December 2003, options were outstanding over approximately 27.1 million Instinet Group shares, equivalent to 8.2% of Instinet Group's outstanding common stock. These options have exercise prices ranging from US\$18.70 to US\$3.25 per share with a term of seven years from grant.

As a result of the acquisition by the Instinet Group of Island in 2002, a further 953,235 shares under option were outstanding under the Island stock option plan (and are now exercisable into Instinet Group common stock) as at 31 December 2003. Exercise prices range from US\$0.91 to US\$8.48 (on an adjusted basis) with a term of ten years from grant.

On behalf of the Board



Sir Christopher Hogg

Chairman

3 March 2004

Statement of directors' responsibilities

Financial reporting

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the Group as at the end of the financial year and of the profit and cash flows of the Group for the period. Reuters Group is also required to prepare financial statements in accordance with the requirements of the SEC.

Reuters Group has complied with both UK and US disclosure requirements in this report in order to present a consistent picture to all shareholders. In preparing the financial statements, the directors confirm applicable accounting standards have been followed, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

Directors responsibilities

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have reviewed the budget and cash flow forecasts for the Group and the company for the year to 31 December 2004 and outline projections for the subsequent year in the light of the financial position and borrowing facilities at 31 December 2003. On the basis of this review the directors are satisfied that Reuters is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

Risk management, internal controls and disclosure controls and procedures

The directors acknowledge their responsibility for the Group's system of internal control and confirm they have reviewed its effectiveness. In doing so, the Board has taken note of the Guidance on Internal Control (the Turnbull Guidance) contained in the new Combined Code.

The Board confirms that it has adopted a process for identifying, evaluating and managing significant risks faced by the Group. This process, which accords with the Turnbull guidance, has been in place for the full financial year and is ongoing. The control system includes: objective setting, risk assessment and monitoring of performance at both strategic and business unit levels through a process known within the company as 'mission analysis'; the use of 'balanced scorecards' to track performance against targets relating to the financial, business, people and customer aspects of the company's business; written policies and control procedures; monthly financial reporting to the Board and senior management which, amongst other things, tracks performance against the annual budget; and systems to communicate rapidly to appropriate managers incidents requiring immediate attention. In a group of the size, complexity and geographical diversity of Reuters it should be expected that breakdowns in established control procedures might occur. There are supporting policies and procedures for reporting and management of control breakdowns. The Board considers that the control system is appropriately designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The concept of reasonable assurance recognises that the cost of a control procedure should not exceed the expected benefits.

Using a common risk management framework throughout the organisation, each of the principal business and functional units summarises the risks that could impede the achievement of its objectives. For each significant risk, line managers document an overview of the risk, how it is managed and any improvement actions required. Risk reports covering operational, financial and strategic risks are submitted for review by the Group Management Committee, the Audit Committee and the Board. A common risk assessment

At the year end, before producing the statement on internal control in this annual report and Form 20-F, the Chief Executive and Finance Director meet with each member of the Group Management Committee to consider formally the operation and effectiveness of the Group's risk management and financial, operational and compliance internal control systems. This review includes consideration of self-assessment reports from line management and covers each of the most significant risks the Group faces and how well these are controlled and managed. The Chief Executive and the Finance Director report on the results of this review to the Audit Committee and to the Board. The Disclosure Committee (described on page 16) supports the process by reviewing disclosure controls and procedures.

Instinet Group and TSI, which are both listed on Nasdaq, have their own systems of risk management and internal controls on which they each report to their shareholders. The boards of Radianz and Factiva, which include Reuters representatives, have responsibility for adopting processes for identifying, evaluating and managing significant risks in their respective businesses. Reuters assessment of the main risks relating to its affiliate companies are considered by the members of the Group Management Committee and included, where required, in the Chief Executive's report to the Board and Audit Committee.

In addition to the self-assessment and management review procedures, the Group monitors its internal financial control system through a programme of internal audits. Internal auditors independently review the controls in place to manage significant risks and report to the Audit Committee twice a year. The Audit Committee reviews the assurance procedures, including compliance controls, on a bi-annual basis and reports their findings to the Board.

The Group's external auditors, PricewaterhouseCoopers, have audited the financial statements and have reviewed the work of internal auditors and the internal control systems to the extent they consider necessary to support their audit report. The Audit Committee has met internal auditors and PricewaterhouseCoopers to discuss the results of their work.

During 2003, the directors were not aware of any control breakdowns that resulted in a material loss.

The company carried out as of the end of the period covered by this report, an evaluation under the supervision and with the participation of Reuters Group management, including the Chief Executive and Finance Director, of the effectiveness of the design and operation of the Group's disclosure controls and procedures which are defined as those controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, summarised and reported within specific time periods. Based on the evaluation, the Chief Executive and the Finance Director concluded that the design and operation of these disclosure controls and procedures were effective. No significant changes were made in the Group's internal controls over financial reporting during the period covered by this report that materially affected, or are reasonably likely to affect materially, the Group's internal control over financial reporting.

By order of the Board



Rosemary Martin
General Counsel and Company Secretary
3 March 2004

process has also been adopted as an integral part of major programmes such as the Fast Forward programme.

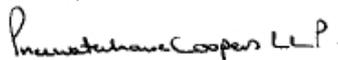
United States opinion

To the Board of directors and shareholders of Reuters Group PLC

In our opinion, the consolidated balance sheets and the related consolidated statements of income, total recognised gains and losses, cash flows and movements in shareholders' equity present fairly, in all material respects, the financial position of Reuters Group PLC and its subsidiaries at 31 December 2003, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended 31 December 2003, in conformity with accounting principles generally accepted in the United Kingdom. These financial statements are the responsibility of the Group's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing

the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Accounting principles generally accepted in the United Kingdom vary in certain important respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in the Summary of differences between UK and US generally accepted accounting principles.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London
3 March 2004

Operating and financial review

Review of year end results

Under US law, all statements other than statements of historical fact included in this review are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Certain important factors that could cause actual results to differ materially from those discussed in such forward-looking statements are described under Section 8 'Risk factors' on pages 40-41 as well as elsewhere in this review. All written and oral forward-looking statements made on or after the date of this report and attributable to Reuters are expressly qualified in their entirety by such factors.

1 Key financial performance measures

The Reuters Group measures its performance by reference to revenue and profit, operating margin, earnings per share and cash flow.

To supplement these UK GAAP measures, the Group undertakes further analysis to break them out into their component parts, which results in the creation of certain non-GAAP measures. The rationale for this analysis is outlined below and reconciliations of the non-GAAP measures used herein to UK GAAP are included within the review of results. These measures are used by management to measure the performance of the business and should be seen as complementary to, rather than replacements for, reported statutory results.

Underlying results

Period-on-period change in Reuters is measured both in overall terms (ie actual reported results under UK GAAP) and in underlying terms. Underlying change is calculated by excluding the impact of currency fluctuations and the results of acquisitions and disposals.

The impact of currency fluctuations is excluded from underlying results to enable period-on-period comparison of the operating results of Reuters on a like-for-like basis. Variations in currency exchange rates impact the results because the Reuters Group generates revenues and incurs costs in currencies other than its reporting currency. Year-on-year, currency exchange rate movements will influence the reported numbers to a greater or lesser extent, and therefore they are discussed separately from the underlying results to make clear their impact on the overall growth or decline in operations. Underlying results are calculated by restating the prior periods' results using the current period's exchange rates. This also reflects the variables over which management has control, as business units do not manage currency exposure and business unit operating performance is managed against targets set on a constant currency basis. Currency exposure is hedged as described in Section 6 'Treasury management' on pages 38-39.

The impact of acquisitions and disposals is also excluded from underlying results to enable period-on-period comparison of the operating results of Reuters on a like-for-like basis. Underlying results are calculated by excluding the results of entities acquired or disposed of during either the current or prior period, from the results of each period under review. Underlying results reflect the operating results of the ongoing elements of each business unit, and measure the performance of management against variables over which they have control, without the impact of changes in rates of foreign exchange, and without the year-on-year impact of a step change in revenue and costs that can result from acquisition or disposal activity.

Underlying figures also allow investors to compare the reported Reuters results with the forward-looking guidance issued by Reuters to the investor community. Because it is not able to forecast currency movements or the exact timing and impact of acquisition and disposal activity, Reuters communicates its revenue guidance to investors on an underlying basis. Therefore, providing the underlying results in addition to the actual reported results assists investors in making their own assessment of Reuters performance against the guidance given by management.

Exclusion of restructuring charges

Reuters results are reviewed before and after the impact of Reuters business transformation plan, which includes the Fast Forward programme. Under the Fast Forward programme, Reuters is incurring restructuring costs, relating primarily to headcount reduction and rationalisation of the company's property portfolio. Fast Forward is a three-year programme implemented to accelerate and expand on Reuters five-year business transformation plan which was launched in 2001; the programme is scheduled to complete in 2005 as originally envisaged.

The Fast Forward programme is centrally managed, and its performance against targets is evaluated separately from the normal day-to-day business of Reuters. The six principal components of Fast Forward are outlined under 'Company information' on page 6.

As the restructuring charges are incurred as part of centrally managed programmes of activity, they do not form part of Reuters ongoing business. Restructuring charges are therefore excluded from certain profit and margin measures, so as to provide a more detailed analysis and understanding of the ongoing business. Restructuring charges are considered exceptional under UK GAAP and are separately identified in note 2 on the consolidated profit and loss account, but because the charges are being incurred over more than two years they are considered 'recurring'. However, because of their time-limited and defined nature, Reuters believes presenting certain profit measures both including and excluding such charges, gives investors better perspective into the performance of Reuters. In addition, Reuters management uses both measures to assess the performance of management and the business.

Exclusion of amortisation of goodwill and other intangibles, impairments and disposals

For certain cost, profit, margin and earnings per share measures, Reuters analyses its results both before and after the impact of restructuring, amortisation of goodwill and other intangibles, impairments and disposals. The rationale for isolating restructuring charges is explained above. Reuters also isolates the impact of income and charges in respect of its investments. These charges relate to goodwill and other intangibles amortisation and impairments of subsidiaries, associates and joint ventures and amounts written off fixed asset investments.

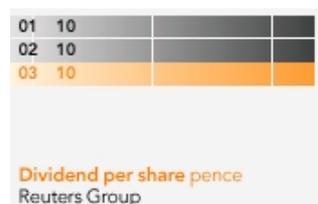
Income and charges from investments relate to pre-tax profits and losses on disposal of subsidiaries, associates, joint ventures and fixed asset investments. The non-GAAP EPS measure also eliminates the earnings impact of non-recurring tax charges and credits related to impairments, reorganisations and disposals. Such charges and income arise from corporate acquisition and disposal activity, rather than from the ongoing operations of the business units. These are analysed and reviewed separately from ongoing operations, as this is consistent with the manner in which Reuters sets internal targets, evaluates its business units and issues guidance to the investor community. Acquisition and disposal activity does not form part of the operations controlled by business unit management, and decisions around such activity are usually determined centrally.

Presenting earnings before amortisation of goodwill and other intangibles, impairments and disposals and the above non-recurring tax items also helps investors measure performance in relation to the Group's dividend policy. In October 2001, Reuters Group defined the long term goal of its dividend policy to be a dividend cover of at least two times, based on Reuters earnings before amortisation of goodwill and other intangibles, impairments and disposals.

Operating and financial review continued



Note: Group operating loss in 2002



Free cash flow

Reuters free cash flow is used as a performance measure and to assess the extent of the Group's dividend cover from a cash perspective. Free cash flow is intended to measure all Reuters cash movements other than those which are both discretionary in nature and unrelated to ongoing operating activities such as purchases of shares by the ESOTs, loans to associates and dividends paid out by the Group. Whilst Reuters believes that free cash flow is an important performance measure in respect of its cash flows, it is not used in isolation, but rather in conjunction with other cash flow measures as presented in the financial statements.

2 Financial overview

Introduction

The financial services markets in which the Reuters Group operates remained cost conscious and competitive in 2003, resulting in reductions in revenues at both Reuters and the Instinet Group for the second successive year. The Reuters Group returned to profit in 2003 at both the operating and pre tax levels, as the declines in revenues were offset by the impact of cost containment and restructuring programmes within the Group, which reduced the cost base. Also the level of impairment charges and goodwill write-downs that depressed last year's earnings were not repeated in 2003. Earnings and cash flow have enabled the full year dividend to be maintained at 10.0 pence.

The beginning of a cyclical recovery in the financial services industry towards the end of 2003 resulted in a reduction in the rate of decline in revenue, although the pattern is not uniform. The US recovery is strong, Asia is showing a modest improvement, and Europe is lagging but showing some signs of an upturn. Structural changes remain a factor in the financial markets, with overcapacity still being an issue, particularly in Europe. The competitive outlook is improving due to enhancements to the Reuters product line and improvements in customer service which are both translating into new business.

Summary of results

	Year to 31 December		
	2003 £m	2002 £m	2001 £m
Revenue:			
Reuters	2,664	2,992	3,042
Instinet Group	540	592	854
Intra-group	(7)	(9)	(11)
Reuters Group revenue	3,197	3,575	3,885
Operating costs:			
Reuters	(2,490)	(2,797)	(2,887)
Instinet Group	(588)	(931)	(707)
Intra-group	7	9	11
Reuters Group operating costs	(3,071)	(3,719)	(3,583)
Operating profit:			
Reuters	174	195	155
Instinet Group	(48)	(339)	147
Reuters Group operating profit	126	(144)	302
Affiliates	(35)	(74)	(85)
Impairments and disposals	(13)	(256)	(53)
Fixed asset investments	-	1	3
Net interest	(29)	(20)	(9)
Profit before tax:			
Reuters	95	(123)	10
Instinet Group	(46)	(370)	148

2003 results compared with 2002

Reuters Group revenue declined by 11% to £3,197 million. Reuters revenue was down 11% to £2,664 million and by 12% on an underlying basis, reflecting weak trading conditions in global financial markets. Instinet Group revenue was down 9%, largely reflecting the adverse impact of the weaker US dollar on Instinet Group revenues.

A reconciliation of the UK GAAP percentage change in Reuters revenue in 2003 compared to 2002, to the underlying percentage change, is set out below:

Revenue	Underlying change	Impact of currency	Impact of acquisitions and disposals	Actual change
Reuters	(12%)	(1%)	2%	(11%)

As a consequence of declining revenues over the past two years, actions have been taken at both Reuters and Instinet Group to reduce the operating cost base. Impairment charges and goodwill write-downs dropped from £314 million to £121 million. The result has been a reduction in Reuters Group operating costs in 2003 of 17%.

The Reuters Group operating loss of £144 million in 2002 was converted to a £126 million profit in 2003. Reuters operating profit decreased by £21 million to £174 million, largely driven by an increase in restructuring charges. Excluding amortisation of goodwill and other intangibles, impairments and restructuring charges, Reuters generated an operating profit of £404 million (2002: £393 million), with the 3% increase reflecting strong cost control across all business units. Instinet Group's operating loss decreased from £339 million in 2002 to £48 million in 2003, mainly due to goodwill impairment charges last year of £208 million.

Reuters Group operating margin was 3.9% in 2003. The Reuters operating margin remained at 6.5% on an actual basis, and increased from 13.1% to 15.2% before amortisation of goodwill and other intangibles, impairments and restructuring.

A reconciliation of UK GAAP operating profit/(loss) and margin to the non-GAAP profit and margin measures is set out below:

Reconciliation of non-GAAP operating profit and margin measures	Year to 31 December			
	£m	2003 %	£m	2002 %
Reuters Group operating profit/(loss)/margin	126	3.9%	(144)	–
Exclude Instinet Group's operating loss	48	–	339	–
Reuters operating profit/margin	174	6.5%	195	6.5%
Exclude:				
Restructuring charges	134	5.1%	112	3.8%
Amortisation of goodwill and other intangibles	89	3.3%	86	2.8%
Impairment of goodwill and other intangibles	7	0.3%	–	–
Reuters operating profit/margin before amortisation of goodwill and other intangibles, impairments and restructuring	404	15.2%	393	13.1%

The Reuters Group's share of affiliates' losses decreased from £74 million in 2002 to £35 million in 2003. The main driver of this was a £31 million improvement in TSI, due to stronger cost control, minimal restructuring charges compared to 2002 and a £2 million gain on investments compared to a £4 million loss last year, which resulted in a loss totalling £11 million in 2003. Due to Reuters reduction of its TSI stake to 8.8% in early 2004, TSI will be treated as a fixed asset investment in future periods. The other key affiliates, Radianz and Factiva, contributed a broadly similar performance in 2003 compared to 2002. Radianz contributed a £27 million loss (£1 million higher than 2002) due to increased revenues being outweighed by impairment charges and restructuring costs. Factiva profit reduced by £1 million to £1 million, due to reduced revenue resulting from depressed market conditions and the shut-down of legacy product offerings, partially mitigated by cost reductions. All other affiliates contributed a net £2 million profit compared to an £8 million loss in 2002. This reflected the Reuters Group's portfolio rationalisation programme, and lower restructuring and impairment charges within the affiliates, compared to 2002.

The net interest charge increased from £20 million in 2002 to £29 million in 2003. This is partly due to the Multex (renamed Reuters Research) acquisition and also to a £4 million reduction in the interest receivable by affiliates due to the falling value of US dollar interest earnings. Included in the interest charge was a write-off of front-end fees of £4 million attached to Reuters syndicated loan facility.

Impairment charges and net disposal losses have decreased from £256 million in 2002 to £13 million in 2003. Losses in 2003 include a £17 million provision in respect of the disposal of two London-based properties, as part of the Fast Forward programme. In 2002, non-cash impairment charges included a £147 million charge in respect of a write down in the value of Reuters shares held in the ESOTs, due to the fall in Reuters share price over the course of 2002. In addition, in 2002, there were £81 million of charges taken to reflect a reduction in the carrying value of various investments held by the Group and net losses on disposal of £28 million. The losses included a £19 million loss on the deemed disposal of a portion of the Group's investment in Instinet Group, following the Island acquisition.

The Reuters Group reported a profit before taxation of £49 million in 2003 compared to a loss of £493 million in 2002. The 2003 profit is made up of a £95 million profit in Reuters, partly offset by a £46 million loss in Instinet Group. Excluding amortisation of goodwill and other intangibles, impairments and disposals, the Reuters Group profit before taxation was £190 million, up from £89 million in 2002. A reconciliation of UK GAAP profit before taxation to this measure is set out below:

Reuters Group reconciliation of profit before taxation	Year to 31 December		
	2003 £m	2002 £m	2001 £m
Reuters Group profit/(loss) before taxation	49	(493)	158
Exclude:			
Amortisation of goodwill and other intangibles	108	118	93
Impairments	35	436	287
Disposals	(2)	28	(234)
Reuters Group profit before taxation, amortisation of goodwill and other intangibles, impairments and disposals	190	89	304
Reuters Group profit/(loss) before taxation	49	(493)	158
Exclude Instinet Group's operating loss/(profit)	46	370	(148)
Reuters profit/(loss) before taxation	95	(123)	10
Exclude:			
Amortisation of goodwill and other			

intangibles	96	97	78
Impairments	20	190	274
Disposals	(3)	30	(235)
<hr/>			
Reuters profit before taxation, amortisation of goodwill and other intangibles, impairments and disposals	208	194	127
<hr/>			

Operating and financial review continued

The tax charge for 2003 was £22 million, £1 million lower than 2002, when a charge arose due to the non-deductible nature of amortisation charges, and certain write downs, as well as from a dividend paid by Instinet Group. A reconciliation of the tax charge to the charge expected by applying the standard 30% UK rate of corporation tax to the reported profits before taxation is provided in note 4 to the consolidated profit and loss account.

The Reuters Group recorded basic earnings per share of 3.1 pence, as compared to a 29.0 pence loss per share in 2002. The 2003 EPS reflects the Reuters Group's return to a net profit. The loss in 2002 primarily reflects the £464 million non-cash impairment charges in that year.

Reuters Group EPS before amortisation of goodwill and other intangibles, impairment of goodwill, disposals and non-recurring tax effects of impairments, reorganisations and disposals was 11.1 pence (2002: 6.8 pence). EPS of Reuters on the same basis was 11.8 pence (2002: 10.8 pence). The improvements in both EPS measures are largely due to cost savings outstripping revenue declines. A reconciliation of UK GAAP EPS to these measures is set out below:

Reuters Group reconciliation of EPS	Year to 31 December		
	2003 pence	2002 pence	2001 pence
Reuters Group EPS	3.1	(29.0)	3.3
Exclude:			
Amortisation of goodwill and other intangibles	7.7	8.5	6.6
Impairments	2.5	31.3	20.4
Disposals	(0.1)	2.0	(16.7)
Adjustment to tax charge for non-recurring tax effects of impairments, reorganisations and disposals	(1.4)	0.6	–
Adjustment to equity minority interest for effect of amortisation of goodwill and other intangibles, impairments and disposals	(0.7)	(6.6)	–
Reuters Group EPS before amortisation of goodwill and other intangibles, impairments, disposals and non-recurring tax effects of impairments, reorganisations and disposals	11.1	6.8	13.6
Reuters Group EPS	3.1	(29.0)	3.3
Exclude Instinet Group's EPS	1.9	16.5	(4.8)
Reuters EPS	5.0	(12.5)	(1.5)
Exclude:			
Amortisation of goodwill and other intangibles	6.8	6.9	5.5
Impairments	1.5	13.6	19.5
Disposals	(0.2)	2.2	(16.7)
Adjustment to tax charge for non-recurring tax effects of impairments, reorganisations and disposals	(1.3)	0.6	–
Reuters EPS before amortisation of goodwill and other intangibles, impairments, disposals			

Cash flow

Net debt for the Reuters Group, as at 31 December 2003, increased by £11 million to £77 million, consisting of net funds in Instinet Group of £533 million (a significant portion of which is required to be held for regulatory capital and/or business purposes), and net debt in Reuters of £610 million.

Reuters net debt position increased by £26 million due to higher restructuring cash outflows and the acquisition of Multex (renamed Reuters Research) for £155 million. Post year end, Reuters realised cash proceeds of £311 million from the reduction of its stake in TSI, and applied these to reduce debt. Instinet Group's net cash position improved by £15 million, due to better cash collections and a decrease in capital expenditure from £28 million to £8 million.

Reuters Group net cash inflow from operating activities was £429 million compared to £355 million in 2002. The improvement in Reuters Group net cash inflow was due to a £117 million increase in Instinet's net cash inflow, due to movements in net counterparty debtors and creditors. Reuters net cash inflow of £401 million was £43 million lower than in 2002, mainly due to lower revenues.

Reuters generated free cash flow of £197 million in 2003 (2002: £214 million), providing funds of 1.4 times the dividend of £140 million. A reconciliation of net cash inflow from operating activities to free cash flow is shown below:

Reuters Group reconciliation of net cash inflow from operating activities to free cash flow

	Reuters £m	Instinet Group £m	Reuters Group £m
Year to 31 December 2003			
Net cash inflow from operating activities	401	28	429
Dividends received from associates	3	–	3
Returns on investment and servicing of finance	(35)	7	(28)
Taxation paid	(65)	32	(33)
Capital expenditure and financial investment	(107)	(3)	(110)
Free cash flow	197	64	261

	Year to 31 December 2002		
Net cash inflow from operating activities	444	(89)	355
Dividends received from associates	2	–	2
Returns on investment and servicing of finance	(43)	(21)	(64)
Exclude: Dividends paid to equity minority interests	–	27	27
Taxation paid	(79)	6	(73)
Capital expenditure and financial investment	(183)	(28)	(211)
Exclude: Purchase of shares by ESOT	65	–	65
Loans to associates	6	–	6
Issue of shares	2	–	2
Free cash flow	214	(105)	109

Dividend per share

A final dividend of 6.15 pence has been proposed which, when added to the interim dividend of 3.85 pence, amounts to 10.0 pence per share, consistent with both 2002 and 2001.

and non-recurring tax effects of impairments, reorganisations and disposals	11.8	10.8	6.8
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2002 results compared with 2001

Reuters Group revenue in 2002 declined 8% to £3,575 million driven by a 31% decline in revenue at Instinet Group, primarily due to a reduction in transaction fees per share traded and a fall in overall Nasdaq volumes. Reuters revenue was down 2% to £2,992 million, a 6% decline on an underlying basis, reflecting weak trading conditions in global markets.

A reconciliation of the UK GAAP percentage change in Reuters revenue in 2002 compared to 2001, with the underlying percentage change, is set out below:

Revenue	Underlying change	Impact of currency	Impact of acquisitions and disposals	Actual change
Reuters	(6%)	(2%)	6%	(2%)

Actions taken at both Reuters and Instinet Group reduced Group operating costs by 17%. Included in operating costs in 2002 were restructuring charges of £208 million of which £112 million was in Reuters, and £96 million in Instinet Group. Similar charges in 2001 were £99 million, of which £82 million was in Reuters.

An impairment charge of £208 million was incurred by Instinet Group in 2002 in respect of its subsidiaries, with no equivalent charge in the previous year. Group charges for amortisation of goodwill and other intangibles in subsidiaries of £107 million, were £26 million higher than in 2001. Charges in Instinet Group increased by 50% to £21 million, whilst charges in Reuters rose by 28% to £86 million, mainly due to the full-year impact of Bridge, which was acquired on 1 October 2001.

Group operating profit fell by 148% to a loss of £144 million, with Instinet Group incurring an operating loss of £339 million (2001: £147 million profit) and Reuters delivering an operating profit of £195 million (2001: £155 million). The Reuters operating profit margin increased from 5.1% in 2001 to 6.5% in 2002.

Reuters operating profit before restructuring charges, amortisation of goodwill and other intangibles and impairments, of £393 million (2001: £304 million), increased by 29%, due to reduction in costs exceeding the 2% revenue decline. Operating margin on this basis improved to 13.1%.

A reconciliation of UK GAAP operating profit/(loss) and margin to the non-GAAP profit and margin measures is set out below:

					Year to 31 December			
Reconciliation of non-GAAP operating profit/(loss) and margin measures					£m	2002 %	£m	2001%
Reuters Group operating (loss)/profit/margin					(144)	-	302	7.8%
Exclude Instinet Group's operating loss/(profit)					339	-	(147)	-
Reuters operating profit/margin					195	6.5%	155	5.1%
Exclude:								
Restructuring charges					112	3.8%	82	2.7%
Amortisation of goodwill and other intangibles					86	2.8%	67	2.2%
Reuters operating profit/margin before amortisation of goodwill and other intangibles, impairments and restructuring					393	13.1%	304	10.0%

The Group's share of net operating losses of associates and joint ventures fell from £85 million in 2001 to £74 million in 2002, reflecting the Group's portfolio rationalisation programme, increased efficiencies and reduced start-up costs. Of the three key affiliates, the profit from Factiva remained steady at £2 million, Radianz contributed a slightly lower loss at £26 million and TSI was significantly worse, moving from a loss of £19 million in 2001 to a loss of £42 million in 2002, mainly due to significant non-cash restructuring and amortisation charges. All other affiliates contributed a net £8 million loss compared to a £41 million loss in 2001.

Interest charges increased by £11 million to £20 million in 2002. This was mainly due to £10 million lower interest received by Instinet Group, reflecting reduced operating cash balances resulting from trading performance and lower US interest rates.

Impairments and disposals increased from £53 million to £256 million in 2002, mainly due to the write-down in the value of Reuters shares held in the ESOTs. Net losses on disposal in 2002 were £28 million, including a £19 million deemed partial disposal of Instinet Group, recorded on the acquisition of Island. Although a significant impairment charge was taken in 2001, this was partially offset by the £200 million gain attributable to a deemed disposal of a 15.1% interest, relating to the initial public offering of Instinet Group.

As a result, reported losses before taxation were £493 million, compared to profits of £158 million in 2001. Group profit before taxation and before amortisation of goodwill and other intangibles, impairments and disposals was £89 million, compared to £304 million in 2001.

Operating and financial review continued

The Reuters Group tax charge for 2002 was £23 million on reported losses before taxation of £493 million. This compares with a charge for 2001 of £107 million on reported profits before taxation of £158 million. The tax charge for 2002 arose principally due to the non-deductible nature of write-downs in investments and amortisation charges. It also includes a £10 million charge paid on the dividend received from Instinet Group. A reconciliation of the tax charge to the charge expected by applying the standard 30% UK rate of corporation tax to the reported profits before taxation is provided in note 4 to the consolidated profit and loss account on page 47.

The loss after taxation was £516 million compared to a profit of £51 million in 2001.

The Group recorded a loss per share in 2002 of 29.0 pence compared to a basic EPS of 3.3 pence in 2001, reflecting the impairments. EPS before amortisation of goodwill and other intangibles, impairment of goodwill, disposals and non-recurring tax effects of impairments, reorganisations and disposals was 6.8 pence (2001: 13.6 pence). EPS of Reuters on the same basis was 10.8 pence, a 58% increase over 2001 reflecting improved operating margins. A reconciliation of UK GAAP profit before taxation and EPS to the non-GAAP measures is set out on page 29.

The full year dividend was 10.0 pence in both 2001 and 2002.

3 Prospects

Reuters

Recurring revenues (see Section 4 below) in Reuters in the last quarter of 2003 were down 9.8% on an underlying basis and 8.6% on an actual basis, compared to the last quarter of 2002, ahead of expectations and Reuters guidance. Market conditions have improved such that Reuters expects the decline in underlying recurring revenue in the first quarter of 2004 to be 9% or slightly better compared to the first quarter of 2003. Further gradual improvement in the decline in underlying recurring revenue is expected in the second quarter.

Reuters expects to incur restructuring costs of approximately £125 million in 2004 and to deliver savings from its Fast Forward programme of approximately £145 million in 2004, in addition to the £75 million of savings from the programme in 2003.

Restructuring expenditure over the course of the Fast Forward programme is still anticipated to be £340 million. Targeted annualised savings by the end of 2005 remain at £440 million.

Instinet Group

From mid-year 2003, Instinet Group has been reorganising its businesses to better exploit the worldwide trend towards greater efficiency and transparency in equities trading. The separation of the sell and buy side parts of the business, and the consolidation of the order flows of the Island and Instinet electronic communications networks (ECN), were substantially completed in February 2004. Associated with these changes is a reduction in headcount of approximately 185 employees, most of whom are expected to leave by July 2004.

4 Operating review

Reuters

	Year to 31 December		
Revenue by type	2003 £m	2002 £m	2001 £m
Recurring	2,456	2,707	2,735
Outright	105	163	215
Usage	103	122	92
Total Reuters	2,664	2,992	3,042

Reuters classifies revenue into three distinct types – recurring, outright and usage. Recurring revenue, which makes up approximately 92% of Reuters 2003 revenues, refers to the sale of subscription products and includes maintenance fees from solutions sales. Recurring revenue declined by 9.3% in 2003 (10.2% on an underlying basis) compared to a decline of 1% in the previous year (4% on an underlying basis), reflecting the challenging market environment.

User accesses stood at 427,000 at the year end, down 14% from December 2002, but down 11% excluding the impact of divestments made during the year. Average revenue per access in 2003 increased by 3% on an underlying basis over 2002, reflecting a higher proportion of premium products primarily due to upgrades and the loss of accesses at the lower end of the price range. Access losses slowed as the year progressed, with a decline of just 1% in the fourth quarter over the third quarter.

Revenue from premium products (which comprises 3000 Xtra, BridgeStation and Dealing) grew 10% (9% on an underlying basis) to £730 million, with the number of accesses also up 10%. Revenue from 3000 Xtra was £418 million, up 30% on 2002. The installed base of 3000 Xtra grew steadily through 2003 reaching 69,000 at the end of the year, a 35% increase from the end of 2002. Around 7,000 of the 18,000 additional positions of 3000 Xtra installed in 2003 were new business as opposed to upgrades of existing accesses. Installations represented 91% of firm orders of 3000 Xtra as at the end of the year, compared to 87% at the end of 2002. Dealing revenues of £257 million were down 8% with the number of accesses down 9%. Premium tier accesses now represent nearly a quarter of the total user base, compared to 19% at the end of 2002. Average revenue per access for all premium products declined by 1% on an underlying basis compared to 2002, driven by large customers moving into higher discount bands as their installed base increased.

Recurring revenue from legacy 2000/3000 series products totalled £363 million and was down 34% (35% on an underlying basis). A 29% decline in accesses was partly due to migration to 3000 Xtra, as well as cancellations due to market conditions and competitive losses. Revenue per access declined 9% on an underlying basis compared to 2002, reflecting the migration of higher priced accesses to 3000 Xtra.

Q1	(9.1%)
Q2	(10.9%)
Q3	(10.9%)
Q4	(9.8%)
Q3	(10.2%)

Underlying recurring revenue change 2003 over 2002

Q1	(5%)
Q2	(2%)
Q3	(3%)
Q4	(1%)

Underlying access decline over previous quarter

Revenue from mid and low tier products was £272 million, down 16% (14% on an underlying basis), with accesses down 12%. 4% of the decline in accesses is attributable to divestments of certain Asian domestic products as part of the drive to simplify the product offerings. A high proportion of the accesses lost in this category were at the lower end of the very wide price range, the result of which was an increase in average revenue per access. Reuters Trader and Reuters Knowledge were launched in the latter half of 2003 to grow market share in the mid tier.

Recurring revenue from all other sources, which includes exchange fees, software maintenance and rentals and site datafeeds, totalled £1,091 million, down 7% year-on-year and 9% on an underlying basis. Reuters saw good growth from client infrastructure products, enterprise information products such as DataScope and Bridge EJV and risk management applications such as Kondor+. This growth was offset by revenue declines in exchange fees and other recoveries, software maintenance and rentals, online media services and research and advisory services.

Outright revenue, comprising 4% of Reuters 2003 revenue, is principally derived from the sales of solutions including software, hardware and consultancy. Outright revenue declined by 36% (39% on an underlying basis) due to continuing restrictions on customers' IT budgets and Reuters decision to exit unprofitable bespoke solutions businesses as part of Fast Forward.

Usage revenue, 4% of Reuters 2003 revenue, is principally derived from Bridge Trading and Dealing products where revenue is generated based on trading volumes. Usage revenue was down 15% (10% on an underlying basis) compared to 2002. Bridge Trading revenues declined 46% (41% on an underlying basis) due to weak equity markets early in 2003. Volatility in the foreign exchange markets, product enhancements and sales campaigns drove a 9% (20% underlying) growth in Dealing Matching revenues compared to 2002.

Year to 31 December

Revenue by Customer Segment	2003 £m	2002 £m	2001 £m
Treasury	1,018	1,134	1,189
Investment Banking	712	834	815
Asset Management	630	709	690
Corporates & Media	304	315	348
Total Reuters	2,664	2,992	3,042

Reconciliation of UK GAAP percentage change to underlying 2003 over 2002

	Underlying change	Impact of currency	Impact of acquisitions and disposals	Actual change
Treasury	(10%)	(1%)	1%	(10%)
Investment Banking	(17%)	(1%)	3%	(15%)
Asset Management	(12%)	—	1%	(11%)
Corporates & Media	(5%)	(1%)	2%	(4%)
Total Reuters	(12%)	(1%)	2%	(11%)

Reconciliation of UK GAAP percentage change to underlying 2002 over 2001

	Underlying change	Impact of currency	Impact of acquisitions and disposals	Actual change
Treasury	(3%)	(3%)	1%	(5%)
Investment Banking	(11%)	(2%)	15%	2%
Asset Management	(4%)	—	7%	3%

Corporates & Media	(7%)	(2%)	(1%)	(10%)
Total Reuters	(6%)	(2%)	6%	(2%)

Operating and financial review continued

Revenue is allocated to customer segments by reference to the activities at particular customer sites. Activities at certain customer sites fall into more than one segment. In such cases, revenue is allocated based on estimated activity by segment. Effective in 2004, Reuters has refined the structure of its segments, as discussed in 'Company information' on page 6. The segmental analysis in future years will be restated to reflect the new structure.

Treasury Services

The Treasury Services segment held up well as contraction and consolidation of foreign exchange desks slowed during 2003 and client revenues were buoyed by volatility in the foreign exchange markets. Revenue was £1,018 million, down 10% on both an actual and underlying basis, compared to a 5% (3% underlying) decline in 2002. A decline in Dealing revenues was partially offset by strong demand for 3000 Xtra and by a growth in matching volumes.

Recurring revenues within this segment experienced a decline of 9% to £905 million, compared to a decline of 4% in the prior year. Outright revenue declined by 35% to £52 million compared to an 18% decline in 2002, reflecting the constraints on major IT projects by clients and Reuters decision to exit unprofitable bespoke solutions businesses as part of Fast Forward. Usage revenue grew by 13% to £61 million (2002: 4% growth), driven by increased activity on the Dealing Matching systems, and to a lesser extent, by automated dealing and securities transactions revenues.

Investment Banking

Revenue decreased by 15% (17% on an underlying basis) to £712 million, compared to a 2% increase in 2002. In 2003, customers faced with global equity market depression continued to cut costs by eliminating duplicate information services and reducing headcount. The 2002 growth was due to the acquisition of Bridge, as on an underlying basis revenues declined by 11%.

Recurring revenue declined by 11%, driven by cancellations of legacy 2000/3000 series, domestic information products and datafeed revenues, partly offset by growth in 3000 Xtra.

Outright revenues fell 32% to £34 million, the same percentage fall as 2002, as banks remained reluctant to commit to new IT projects and Reuters decided to exit unprofitable bespoke solutions businesses as part of Fast Forward.

Usage revenue declined by 44% to £32 million, driven primarily by a decline in trading volumes at Bridge Trading. 2002 usage revenues grew 140% aided by a full year of strong trading performance by Bridge Trading; excluding Bridge Trading, 2002 growth was 11%.

Asset Management

An 11% (12% underlying) decline in Asset Management revenues to £630 million was due to clients having lower levels of funds under management, which in turn forced client cost reductions. 2003 revenues included Multex (renamed Reuters Research). Revenue growth of 3% in 2002 was driven by the Bridge acquisition (4% decline on an underlying basis).

Recurring revenues declined by 10% (2002: 4% growth), with cancellations of 2000/3000 series and legacy domestic products responsible for the majority of the decline. Growth in 3000 Xtra, Reuters Plus and end-of-day pricing and compliance feeds have partly offset these declines.

Outright revenues declined by 39% (2002: 24%) to £19 million, primarily due to the winding down of two large contracts which provided substantial revenues in 2002.

Corporates & Media

Revenues from Corporates & Media declined 4% (2002: 10%) to £304 million; on an underlying basis the decline was 5% (2002: 7%). Media revenues as a whole have been relatively robust, driven by customer demand for coverage of the Iraq war and its aftermath.

	Year to 31 December		
	2003 £m	2002 £m	2001 £m
Operating costs			
Customer Segments	249	278	323
Channels	932	1,103	1,069
Operations & Technology	669	728	765
Content	286	302	315
Corporate Services	124	188	266
Trading costs	2,260	2,599	2,738
Restructuring costs	134	112	82
Amortisation of goodwill and other intangibles of subsidiaries	89	86	67
Impairment of subsidiaries	7	–	–
Operating costs	2,490	2,797	2,887

Reuters operating costs were reduced by 11% in 2003, compared to a decrease of 4% in 2002. Favourable currency movements, particularly the weak US dollar, contributed 1.5% of the decline. Operating costs excluding restructuring charges, amortisation of goodwill and other intangibles of subsidiaries and impairment of subsidiaries, reduced by 13%. The principal drivers of this reduction were pre-2003 restructuring programmes, enhanced by the Fast Forward initiative. Staff costs fell by a net 8%, with reductions in headcount and cost per head partly offset by acquisitions, more staff being hired into customer-facing roles and increased numbers of product development staff in lower cost locations.



Customer Segments %

1 Staff	55%
2 Services	35%
3 Depreciation & Other	6%
4 Data & Comms	4%



Channels %

1 Data & Comms	37%
2 Staff	33%
3 Services	15%
4 Space	10%
5 Depreciation & Other	5%



Operations & Technology %

1 Data & Comms	36%
2 Staff	32%
3 Services	20%
4 Depreciation & Other	8%
5 Space	4%



Content %

1 Staff	59%
2 Services	20%
3 Data & Comms	15%
4 Depreciation & Other	6%



Corporate Services %

1 Staff	69%
2 Space	20%
3 Services	11%

Customer Segments

Customer Segments expenditure accounted for 11% of trading costs in 2003, and reduced by £29 million or 10%, compared to a reduction of 14% in 2002. The reduction was primarily driven by net headcount reductions. Marketing expenditure and professional services fees also declined, continuing a trend from 2002.

Channels

The sales and client service Channel costs accounted for 41% of 2003 trading costs. A £171 million, or 16% reduction in 2003 compares to growth of 3% in 2002. A third of Channel costs are staff related and the majority of Channel cost savings in 2003 came from staff cost reductions. A further third of Channel costs relate to market data and communications costs which are charged on to clients, and which have fallen in 2003, in line with the reductions in end-users and market data cost reduction programmes undertaken by customers. Increased resourcing of client training and support activities has been outweighed by streamlining and efficiency gains.

Operations & Technology

Operations and Technology costs accounted for 30% of trading costs and reduced by £59 million or 8% in 2003, compared to a reduction of 5% in 2002.

The savings were primarily achieved in product development, principally from relocating to more cost effective locations and closing down some development facilities. Reductions in internal systems development and support were also achieved by a combination of outsourcing and winding down of earlier infrastructure projects.

Content

Content costs, comprising data and editorial, represented 13% of trading costs and decreased by £16 million or 5% in 2003, compared to a reduction of 4% in 2002. Cost savings have been assisted by the product rationalisation programme, which has enabled more focused spend and use of resource.

Corporate Services

Corporate Services, which consists of corporate head office functions and internal services, accounted for 5% of trading costs in 2003. A reduction in spend of £64 million or 34% was achieved in 2003, compared to a reduction of 29% in 2002.

Costs were lower than in 2002 due to headcount reductions, the winding down of investment projects and the programme to integrate fully the Bridge acquisition.

Operating and financial review continued

Restructuring

The Fast Forward programme, announced in February 2003 as an acceleration and expansion of the previously announced business transformation plan, resulted in a restructuring charge of £144 million in the year, within operating profit, partly offset by a release of £10 million relating to legacy programmes. The charge compares to previous business transformation plan charges of £112 million in 2002 and £82 million in 2001.

In 2003, Fast Forward delivered a total of £75 million cost savings against an original target of £45 million. Some 1,500 staff were made redundant during the course of 2003, of whom 1,148 have already left the company, with most of the rest to go in 2004.

Amortisation of goodwill and other intangibles of subsidiaries

Amortisation charges of £89 million in 2003 were slightly higher than in 2002, principally due to AVT (acquired in December 2002), and Multex (acquired in March 2003 and renamed Reuters Research), which together resulted in a charge of £14 million in 2003. Amortisation in respect of other subsidiaries decreased compared to 2002.

Impairment of subsidiaries

The £7 million charge for the impairment of subsidiaries in 2003 (2002: £nil), is in respect of EASE Technologies Inc, Yankee Research and Capital Access International.

Research and development

Research and development expenditure totalled £136 million in 2003 compared with £154 million in 2002 and £227 million in 2001.

The decline in Reuters research and development costs largely reflects the impact of efficiency and cost reduction measures across the development organisation. This decline has been offset in part by costs arising from the acquisitions of Multex (renamed Reuters Research) and AVT. Notable areas of spend in 2003 include investment in Reuters Trader and Reuters Knowledge and enhancements to our premium desktop and Risk offerings.

Instinet Group

	Year to 31 December		
	2003 £m	2002 £m	2001 £m
Revenue	540	592	854
Trading costs	(519)	(606)	(676)
Restructuring costs	(44)	(96)	(17)
Amortisation of goodwill and other intangibles of subsidiaries	(12)	(21)	(14)
Impairment of subsidiaries	(13)	(208)	–
Operating costs	(588)	(931)	(707)
Operating (loss)/profit	(48)	(339)	147

While trading volume in the US equity markets as a whole has continued to show moderate growth since 2002, Instinet Group's most significant market, Nasdaq, has experienced a decline since 2001. Average daily trading volume in Nasdaq-listed stocks was down 3.5% for the full year 2003; however, during the last half of 2003, volume increased and remained at a higher level than 2002. Instinet Group's market share, both in Nasdaq-listed and US exchange-listed shares, increased significantly in the last quarter of 2002 due to the acquisition of Island in September of that year. After declining at the end of 2001, and increasing due to organic growth and the acquisition of Island in 2002, Instinet Group's Nasdaq market share has fluctuated during 2003. Instinet Group trading volumes in Nasdaq-listed equity shares was 119.7 billion in 2003, an increase from 81.9 billion in 2002 and 65.9 billion in 2001. Instinet Group's US exchange-listed share volume

The following charts illustrate the trend of US equity trading volume and Instinet Group's market share over the last three years:



The volatility in market share reflects the intense competitive environment within the brokerage business, which has resulted in price reductions since 2001. In September 2001, Instinet Group reduced average prices by 11%, due to a new pricing schedule for US broker-dealer customers. In March 2002, it implemented a new pricing plan for these customers including further reducing prices for trading listed stocks by approximately 60%. In October 2003, it reduced pricing for routing orders in Nasdaq-listed stocks to other trading venues through its automated smart order-routing system by 37%.

Instinet Group continues to monitor future price competition and evaluate its pricing structure as part of its ongoing efforts to maintain and expand INET's liquidity pool. The Reuters Group is unable to anticipate whether the changes in trading volumes and pricing are indicative of future trends, although management expectation is that the intense competition may continue, and if it or the other adverse factors continue or intensify, Instinet Group's revenues could be adversely affected.

In 2003, Instinet Group's revenues declined 9% to £540 million, due primarily to the US dollar weakness and increases in trading volumes being offset by reductions in pricing (2002: 31% decrease).

Excluding restructuring, amortisation and impairment charges, costs were down by 14%. Half the reduction is due to the weaker US dollar. The remainder is largely due to staff cost reductions and to lower market data and client communications costs.

Restructuring charges of £44 million were £52 million lower than in 2002.

rose to 20.3 billion in 2003 from 15.7 billion in 2002 and 11.0 billion in 2001.

Amortisation charges reduced by £9 million to £12 million in 2003. Charges for the impairment of subsidiaries of £13 million in 2003 relate primarily to Island technology assets and are significantly lower than the £208 million impairment recorded in 2002.

Operating losses were £48 million compared to a loss of £339 million in 2002 and a profit of £147 million in 2001. Efficiency gains played a significant part in this improved operating performance, with 18% of Instinet Group's work force leaving the company during 2003.

An £11 million decline in Instinet Group's research and development costs in 2003 principally reflects the wind down of major investment projects initiated in 2002.

5 Financing needs and capital structure

Reuters finances its operations by a mixture of cash flows from operations, short-term borrowings from banks and commercial paper markets, backed up as required by committed bank facilities and finance from capital markets. Reuters manages its net debt position and interest costs to support its continued access to the full range of debt capital markets. Reuters expects to be able to finance its current business plans from ongoing operations and its external facilities.

Syndicated credit facility

In April 2003, Reuters entered into a new committed syndicated credit facility, replacing its previous facility. At 31 December 2003, Reuters Group PLC had available £1 billion under the new facility, of which £640 million expires in April 2008 and £360 million expires in April 2004, with the ability to extend the maturity of the latter in whole or in part in certain circumstances. The facility was undrawn at 31 December 2003. In January 2004, the company cancelled £200 million of the portion of the syndicated facility which expires in April 2004.

The facility is generally on customary terms and conditions. Drawings under the facility may be made in sterling, euros or other currencies agreed at the time and bear interest at LIBOR plus a margin, variable according to the long-term credit rating of the company. The facility cross-defaults upon default by Reuters in payment or acceleration of any other borrowings in excess of £20 million. The facility contains two financial covenants: that Reuters operating profit before interest, tax and amortisation (subject to certain adjustments) should be greater than 2.75 times net finance charges and that Reuters net borrowings should not be greater than 3.50 times Reuters operating profit before depreciation and amortisation (subject to certain adjustments). As at 31 December 2003, Reuters complied with both of these covenants.

Bilateral loan facilities

At the same time as the syndicated credit facility was arranged, committed bilateral facilities of £90 million were also put in place on similar terms, all of which were undrawn at 31 December 2003. In January 2004, the company cancelled £10 million of the facilities which expire in April 2004.

Euro Commercial Paper Programme

A £1.5 billion Euro Commercial Paper Programme was established in 1998. At 31 December 2003, Reuters Group PLC had outstanding obligations of £13 million under this programme, repayable at various dates up to May 2004. The minimum outstanding during 2003 was £13 million and the maximum was £548 million.

The programme is generally on customary terms and conditions, including a condition that Reuters should not be in default on any other debt or similar obligation. The programme has no final maturity date and there is no requirement to update the programme documentation. Debt is issued at market rates agreed between the issuer and the dealer. The programme documentation contains no financial covenants.

Euro Medium Term Note Programme

In 1998, Reuters also established a £1 billion Euro Medium Term Note Programme. The programme is generally on customary terms and conditions. The programme has no final maturity date but the offering circular, containing financial information, is updated each year to allow issuance to continue. Debt is issued at market rates agreed between the issuer and the dealer. Notes issued prior to March 2001 (totalling approximately £195 million principal value as at 31 December 2003) cross-default upon default by Reuters Group in payment or acceleration of any other borrowings in excess of £20 million; notes issued after this date have no cross-default provision. The programme documentation contains no financial covenants.

At 31 December 2003, Reuters had outstanding obligations of £727 million under the programme, repayable at various dates up to November 2010 including a Euro 500 million public bond issued in November 2003 and maturing in November 2010. The minimum outstanding during 2003 was £403 million and the maximum was £744 million.

Short-term uncommitted facilities

In addition, Reuters has short-term uncommitted bank borrowing facilities denominated in various currencies, the sterling equivalent of which was approximately £155 million. Drawings under these lines were £10 million at 31 December 2003. Instinet Group has access to the equivalent of US\$357 million short-term uncommitted bank facilities, of which US\$21 million was drawn at 31 December 2003.

Operating and financial review continued

Contractual financial obligations

The following table summarises the Group's principal contractual financial obligations at 31 December 2003, certain of which are described in the consolidated financial statements and notes. The Group expects to be able to fund such obligations from ongoing operations and its external facilities.

Contractual obligations	Total £m	Payments due by period			
		Less than 1 year £m	1-3 years £m	4-5 years £m	After 5 years £m
Short-term debt	365	365	—	—	—
Long-term debt	406	—	406	—	—
Operating leases	697	97	156	117	327
Purchase obligations	73	73	—	—	—
Total contractual obligations	1,541	535	562	117	327

6 Treasury management

The key objectives of Reuters Group treasury management are to ensure sufficient liquidity exists to meet funding needs and to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

Reuters borrows in many currencies, at both fixed and floating rates and uses derivative contracts to create the desired currency and interest rate basis. Derivatives used are principally interest rate swaps, forward rate agreements, interest rate caps and collars, currency swaps, forward foreign exchange contracts and currency options.

The main risks managed by the Group Treasurer, under policies approved by the Board, are foreign currency risk, interest rate risk, liquidity and refinancing risk and counterparty credit risk. A Treasury Committee of the Board periodically reviews Reuters treasury activities, policies and procedures. All treasury activity takes place within a formal control framework. A separate treasury department exists within Instinet Group.

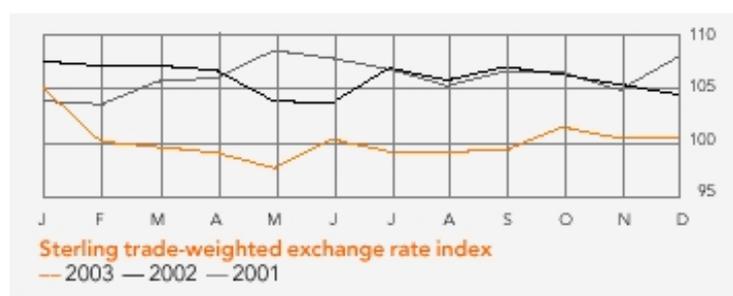
Almost 90% of Group revenue is denominated in non-sterling currencies. The Group also has significant costs denominated in foreign currencies with a different mix from revenue. Group profits are therefore exposed to currency fluctuations. The approximate proportions of operating profit, excluding goodwill amortisation and currency gains received in each key currency group, were as follows:

Group operating profit by currency	Year to 31 December		
	2003	2002	2001
Continental Europe:			
Euro and legacy currencies	171%	296%	133%
Other	23%	54%	25%
US dollar	(5%)	(71%)	66%
Japanese yen	32%	53%	26%
Sterling:			
Depreciation	(22%)	(140%)	(63%)
Other	(111%)	(143%)	(97%)
Other	12%	51%	10%
Total	100%	100%	100%

Sterling costs exceeded sterling revenue due to the level of restructuring costs and UK-based marketing, development, operational and central services costs.

In broad terms, using the 2003 mix of profits, the impact of an additional unilateral 1% strengthening of sterling would have been a reduction of approximately £4 million in operating profits before hedging (2002: £7 million, 2001: £10 million).

Exchange rate movements in 2003 had a favourable net impact on operating profit, mainly due to the stronger euro in 2003 compared with 2002. The impact of the weaker US dollar was not material as revenue and costs in that currency broadly offset each other.



The Group holds cash and short-term investment balances of £694 million, of which £544 million is held by the Instinet Group.

The priority in Reuters currency management policy is to reduce the risk of volatility in the Group's profit and loss account to acceptable levels while allowing a degree of flexibility to take advantage of market movements.

Translation exposure occurs when the net investment in overseas subsidiaries is converted into the Group's reporting currency of sterling. The Group does not hedge this exposure. However, to the extent that the Group has debt, it will be held in currencies approximately proportionate to the currency profile of the Group's net assets, including its net investment in Instinet Group. Currency swaps may be used to achieve the desired currency profile of debt issues.

Transaction exposure occurs when, as a result of trading activities, an entity receives cash in a currency different from its functional currency. The Group seeks to hedge the currency exposure of these transactions through the use of spot and forward foreign exchange contracts and currency options.

Recognised currency hedging gains in 2003 were favourable mainly due to the effect of the weaker US dollar on hedges of the net investment in overseas subsidiaries.

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised.

Net unrecognised gains on derivatives used for hedging were £1 million at 31 December 2003 compared to £nil million at 31 December 2002 and unrecognised gains of £9 million in 2001.

Net cash flows are either applied to reduce debt or invest in money market instruments with financial institutions holding strong credit ratings with pre-agreed limits set by the Board. Interest rates are managed using a mix of financial instruments, which commence and mature at various dates through to November 2010. Interest rate hedging relates to the use of derivative contracts to alter the currency and interest rate profile on medium-term fixed rate notes issued and to hedge timing mismatches. In broad terms, using the average net funds position, a 1% increase in global interest rates would have reduced profit before tax in the year by approximately £2 million (2002 and 2001: £1 million) excluding the impact of hedging.

7. Accounting policies, US GAAP and International Financial Reporting Standards

Group accounting policies conform with UK GAAP. In accordance with the requirements of Financial Reporting Standard 18 (FRS 18), these policies and any applicable estimation techniques have been reviewed by the directors, who have confirmed them to be the most appropriate for the preparation of the 2003 financial statements.

Critical accounting policies

In preparing these financial statements, management has made its best estimates and judgements of certain amounts included in the financial statements. The most significant judgemental areas in 2003 related to:

The impairment of fixed assets and goodwill

Under UK accounting standards, impairment is measured by comparing the carrying value of an asset with the higher of its net realisable value or value in use. These comparisons sometimes require subjective judgements and estimates to be made by management with regard to projected future cash flows of income-generating units or the amounts that could be obtained from the sale of investments. As a result, some fixed asset investments have been written down to net realisable value.

Accounting for long-term incentive plans (LTIP)

The costs of shares acquired to cover LTIP awards are charged in the profit and loss account over the period to which the performance criteria relate. Adjustments are made during the three to five-year vesting period of each plan to reflect changes in the possibility of performance criteria being met. These adjustments are to some extent subjective as performance is based on Reuters Total Shareholder Return (TSR) relative to the TSR of the other companies in the FTSE 100 at the start of the measurement period. As a result of Reuters continuing low TSR ranking, it has now been assumed that the 2000, 2001 and 2002 LTIP schemes are unlikely to deliver any value to the participants.

Property provisions

As part of the 2003 restructuring charges, a number of leasehold properties have been identified as being surplus to requirements. Although efforts are being made to sub-let this vacant space, management recognises that this may not be possible immediately given the current economic climate. Estimates have been made to cover the cost of vacant possession, together with any shortfall arising from sub-leased rental income being lower than lease costs being borne by the Group. A judgement has also been made in respect of the discount factor, based on a risk-free rate, that is applied to the rent shortfalls. The actual outcome may differ from the resulting estimates.

Allowances for doubtful accounts

For all trade debtors, Reuters management makes a judgement regarding the ability of customers to pay and accordingly, establishes an allowance for estimated losses arising from non-payment. In evaluating this allowance, customer credit worthiness, current economic conditions and previous experience are taken into account. If actual collections differ from estimates, this will affect future profit.

US GAAP

A reconciliation of net income under UK and US GAAP is set out on page 77. A discussion of the relevant US accounting policies which differ materially from UK GAAP is given on pages 74-76 in the Summary of differences between UK and US Generally Accepted Accounting Principles. Details of recent US GAAP accounting pronouncements are given on page 79.

Off-balance sheet arrangements

The Group does not have any off-balance sheet arrangements, as defined by the SEC, that have or are reasonably likely to have a current or future effect on the Group's financial position or results of operations material to investors.

International Financial Reporting Standards (IFRS)

Reuters Group will be required to comply with IFRS with effect from 1 January 2005. An initial evaluation of the impact on the financial statements of Reuters Group, and on its financial processes and systems, has been made. A programme of work is underway to enable the preparation of financial statements, which comply with IFRS, for the two comparative years ended 31 December 2003 and 2004, as well as periods from 1 January 2005 onwards. It is intended that during 2004, changes found necessary to Reuters Group accounting policies, processes and systems will be put into effect to ensure compliance with these standards.

Operating and financial review continued

8 Risk factors

Forward-looking statements

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to the Group's financial condition, results of operations and business and management's strategy, plans and objectives. In particular, all statements that express forecasts, expectations and projections with respect to certain matters, including trends in results of operations, margins, growth rates, overall financial market trends, product releases, the impact of interest rates or exchange rates, anticipated cost savings and synergies and the completion of strategic transactions or restructuring programmes are all forward-looking statements. These statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the risk factors discussed below. Any forward-looking statements made by the Group or on its behalf speak only as of the date they are made. Reuters Group does not undertake to update any forward-looking statements.

Reuters may not be able to realise the anticipated benefits of its Fast Forward transformation plan

In February 2003, Reuters announced it was accelerating its strategy to become a more focused information company. The Fast Forward plan includes investing in new information, streamlining the way information is delivered, offering a more simple and segmented product line, rationalising the non-core elements of the business, reshaping the cost base and reinvigorating the company culture. There can be no assurance of achievement of these objectives or of the exact timing or extent to which the anticipated benefits of the Fast Forward programme will be realised.

Unfavourable conditions in financial markets may have a significant adverse effect on the Group's business

The Group's business is dependent upon the health of the financial markets and the participants in those markets. The Group's dealing products are dependent on the level of activity in the foreign exchange market. Similarly, the businesses of Bridge Trading and Instinet Group are dependent upon the level of activity in the equity markets. While market conditions improved in 2003, the economic downturn which began in 2001 continued to negatively impact the Group's results. If these conditions were to worsen or in the event of significant trading market disruptions or suspensions there could be further adverse effects on the Group's business. In addition, the Group's business could be adversely affected by further consolidations among clients and competitors.

Currency fluctuations and interest rate fluctuations may have a significant impact on the Group's reported revenue and earnings

Reuters Group reports results in UK pounds sterling but receives revenue and incurs expenses in more than 70 currencies and is thereby exposed to the impact of fluctuations in currency rates. Currency movements resulted in a positive impact on operating profit in 2003. A strengthening of sterling from current levels, especially in relation to other currencies in which Reuters Group derives significant revenues or holds significant assets such as the euro or the US dollar, could adversely affect results in future periods. To the extent that these currency exposures are not hedged, exchange rate movements may cause fluctuations in the Group's consolidated financial statements. In addition, an increase in interest rates from current levels could adversely affect the Group's results in future periods.

The Group may experience difficulties or delays in developing or responding to new customer demands or launching new products

The Group's business environment is characterised by rapid technological change, changing and increasingly sophisticated customer demands and evolving industry standards. If the Group is unable to anticipate and respond to the demand for new services, products and technologies on a timely and cost-effective basis and to respond and adapt to technological advancements and changing standards, its business may be adversely affected. In addition, Reuters Group may delay or halt the launch of new products and services; its existing products and services may cease to be attractive to customers; and new products and services that the Group may develop and introduce may not achieve market acceptance. In the event any of the foregoing occurs, the Group's financial results could be adversely affected.

Reuters Group is dependent on third parties for the provision of certain network and other services

The Group has outsourced the day-to-day operation of most of its networks to Radianz, the joint venture with Equant. Radianz also provides network services to companies in addition to Reuters Group. Reuters and Equant are equally represented on the Radianz board with neither party having control. Accordingly, Reuters ability to affect the performance of Radianz may be limited and its business could be adversely affected as a result.

In connection with the Bridge acquisition, Reuters entered into a network services agreement with Savvis which was the primary provider of network services to Bridge. Reuters currently holds approximately 16% of Savvis' voting share capital, and has an observer on Savvis' board. Reuters has very limited, if any, ability to affect the performance of Savvis.

Failure or inability of any third party that provides significant services to the Group, such as Radianz or Savvis, to perform its obligations could adversely affect the Group's financial results.

The Group's business may be adversely affected if its networks or systems experience any significant failures or interruptions or cannot accommodate increased traffic

Reuters Group's business is dependent on the ability to handle speedily substantial quantities of data and transactions on its computer-based networks and systems and those of Radianz, Savvis and others. Any significant failure or interruption of such systems due to factors beyond the Group's control, including terrorist activities, could have a material adverse effect on its business and results of operations. The continuing increase in the update rates of market data may impact product and network performance from time to time. Factors that have significantly increased the market data update rates include: the emergence of Nasdaq's SuperMontage and proprietary data feeds from other markets; high market volatility; decimalisation; and the multiple listing of options. While the Group has implemented a number of capacity management initiatives, there can be no assurance that the Group and its network providers will be able to accommodate successfully accelerated growth of peak traffic volumes.

Reuters is exposed to a decline in the valuation of companies in which it has invested and does not have management control

Reuters has entered into joint ventures with, and made strategic investments in, a number of companies and also has significant interests in companies and joint ventures such as Instinet Group, Radianz and Factiva. The value of a number of these companies fluctuated widely from 2001 through 2003, in part as a result of external market factors. The value of Reuters interests in these companies is dependent on, among other things, the performance of these companies generally, whether such performance meets investors' expectations, and external market and economic conditions. Reuters has limited ability to influence the management or performance of these companies.

Significant competition in the financial information and trading industries could adversely affect the Group's business

Reuters faces significant competition in the financial information industry. The availability of public internet technology reduces barriers to entry and increases the availability of commoditised data in less expensive forms and loss of control over intellectual property. Instinet Group and Bridge Trading face competition from securities brokers, trading venues and other financial service providers, including many that are well-capitalised and substantially larger than Instinet Group or Bridge Trading, as the case may be, and have substantially greater financial, technical, marketing and other resources. If the Group is unable to cope effectively with increased competitive pressure arising from the above or any other factors, its financial results could be adversely affected.

Changes in the regulatory environment could have an adverse effect on Reuters Group's business

The US Congress and SEC are currently considering changes to the structure of US securities markets. These reviews could yield proposals that would result in additional regulation of or reduced operational flexibility for the provision of US securities market data by Reuters, and changes in Instinet Group's ability to receive rebates of market data revenues from the various organisations to which it provides trading information. The US Congress and SEC also are considering changes to the operation and regulation of mutual funds. These efforts could result in reductions in the flexibility that mutual funds have to obtain brokerage and other services, including research and information services. The UK FSA is also reviewing the regulatory requirements addressing the provision to institutional investors of brokerage and other services, including research and information services. Reuters Group is unable to predict at this time the impact on its business or results of operations of any proposed or potential changes to the regulatory environment.

As a result of their compliance with the requirements of Regulation ATS, none of Instinet Group's ATSS is currently required to register as a US national securities exchange. In June 2002, Island ECN submitted to the SEC an application in draft form for registration as a national securities exchange. INET intends to submit a new application for registration as a national securities exchange. If INET or any of Instinet Group's subsidiaries were to register voluntarily as a national securities exchange, or if the SEC were to require INET to do so, Instinet Group could become subject to substantial additional regulation, which might reduce its operational flexibility in ways that could have a material adverse effect on its business. Among other consequences, Instinet Group might be required to comply with fair representation or ownership requirements. These and other requirements could adversely affect its operations and could also result in material limitations or restrictions on Reuters equity interest in Instinet Group or Reuters ability to exercise its voting and other governance rights with respect to Instinet Group. Instinet Group's ATSS are also subject to Regulation ATS and certain other rules, which require ATSS meeting certain trading volume criteria to provide quotation data to an SRO and to provide other broker-dealers execution access to such quotes. Compliance with Regulation ATS could have an adverse effect on Instinet Group's business, financial condition and operating results. In July 2002, the SEC also took action that resulted in the suspension of market data revenue sharing programmes, in which INET (then known as Island ECN) participated, and led to Island ECN's suspension of its own programme. Instinet Group has been from time to time, and is currently, involved in discussions and proceedings with the SEC and some of its customers regarding the application of these and other SEC rules, which may have a material adverse effect on Instinet Group's pricing policies and business operations. Future SEC rule-makings or interpretations relating to equities securities markets and market conditions could adversely affect Instinet Group's business, financial condition and operating results.

The NASD regulates the activities of Instinet Group's US broker-dealer subsidiaries and its Nasdaq subsidiary competes with Instinet Group. The NASD, either directly or through subsidiaries, is able to propose, and often obtain SEC approval of rule changes that the Group believes can be to Nasdaq's competitive benefit as a securities marketplace and to Instinet Group's competitive disadvantage. Reuters Group is unable to predict at this time the impact of any proposed or potential changes to the regulatory environment in which Instinet Group and its affiliates operate, which may include additional changes to the Nasdaq marketplace considered by the NASD or the adoption by authorities in other jurisdictions of new methods for regulating electronic over-the-counter trading.

The Group may be exposed to adverse governmental action in countries where Reuters conducts reporting activities

As the world's largest news and information company, Reuters Group may suffer discriminatory tariffs or other forms of adverse government intervention due to the nature of its editorial and other reporting activities.

The Group may not be able to realise the anticipated benefits of existing or future acquisitions

To achieve its strategic objectives, Reuters Group has acquired or invested in, and in the future may seek to acquire or invest in, other companies and businesses. No assurance can be given that Reuters Group will realise, when anticipated or at all, the benefits it expects as a result of any acquisition. Achieving these benefits will depend on many factors, including the successful and timely integration, and in some cases the consolidation of products, technology, operations and administrative functions, of companies that have previously operated separately. Considering the highly technical and complex nature of Reuters Group's products and services, these integration efforts may be difficult and time consuming.

Consolidated profit and loss account

for the year ended 31 December

	Notes	2003 £m	2002 £m	2001 £m
Revenue: Group and share of joint ventures less share of joint ventures revenue		3,297 (100)	3,682 (107)	3,990 (105)
Group revenue	1	3,197	3,575	3,885
Operating costs	2	(3,071)	(3,719)	(3,583)
Operating profit/(loss)		126	(144)	302
Share of operating losses of joint ventures	16	(27)	(35)	(46)
Impairment of investments in joint ventures	16	(8)	(6)	(16)
Share of operating losses of associates	16	(8)	(39)	(39)
Impairment of investment in associate	16	(1)	–	(26)
Profit/(loss) on disposal of subsidiary undertakings	31	3	(29)	216
Profit/(loss) on disposal of joint ventures and associates	31	10	3	(7)
Loss on disposal of tangible fixed assets	15	(17)	–	(10)
Profit/(loss) on disposal of other fixed asset investments	31	6	(2)	35
Income from fixed asset investments		–	1	3
Amounts written off fixed asset investments	16	(6)	(222)	(245)
Net interest payable	3	(29)	(20)	(9)
Profit/(loss) on ordinary activities before taxation		49	(493)	158
Taxation on profit/(loss) on ordinary activities	4	(22)	(23)	(107)
Profit/(loss) on ordinary activities after taxation		27	(516)	51
Equity minority interests		16	112	(5)
Profit/(loss) attributable to ordinary shareholders		43	(404)	46
Dividends	5	(140)	(139)	(140)
Loss for the period		(97)	(543)	(94)
Basic earnings/(loss) per ordinary share	6	3.1p	(29.0p)	3.3p
Diluted earnings/(loss) per ordinary share	6	3.0p	(29.0p)	3.2p

Consolidated revenue and operating profit derive from continuing operations in all material respects.

The result for the year has been computed on an unmodified historical cost basis.

Consolidated statement of total recognised gains and losses

for the year ended 31 December

	2003 £m	2002 £m	2001 £m
Profit/(loss) attributable to ordinary shareholders	43	(404)	46
Unrealised gain on deemed partial disposal of subsidiary undertakings	–	1	11
Unrealised gain on deemed partial disposal of associates	–	12	–
Unrealised gains on disposal of fixed asset investments	–	10	–
Translation differences taken directly to reserves	(113)	(95)	23
Total recognised gains and losses relating to the year	(70)	(476)	80

A detailed statement showing the movement in capital and reserves is set out in note 26.



Notes on the consolidated profit and loss account

1 Segmental analysis

The tables below show a segmental analysis of revenue, costs and results which reflects the way Reuters was managed during 2003. Revenue is allocated to customer segments by reference to the activities at particular customer sites. Activities at certain customer sites fall into more than one segment. In such cases revenue is allocated based on estimated activity by segment. Prior periods have been restated to reflect changes in the management of the cost base.

Segmental revenue less direct customer segment costs does not purport to represent segmental profitability. Direct customer segment costs include the costs of global customer segment management, marketing, non-integrated businesses and specific revenue related activities. The majority of revenue related costs are included within the channels and centres of excellence.

Revenue	2003 £m	% change	2002 £m	% change	2001 £m
Treasury	1,018	(10%)	1,134	(5%)	1,189
Investment Banking	712	(15%)	834	2%	815
Asset Management	630	(11%)	709	3%	690
Corporates & Media	304	(4%)	315	(10%)	348
Reuters	2,664	(11%)	2,992	(2%)	3,042
Instinet Group	540	(9%)	592	(31%)	854
	3,204	(11%)	3,584	(8%)	3,896
Share of joint ventures revenue	100	(6%)	107	1%	105
Intra-group revenue	(7)	(26%)	(9)	(11%)	(11)
Gross revenue	3,297	(10%)	3,682	(8%)	3,990
Less share of joint ventures revenue	(100)	(6%)	(107)	1%	(105)
Group revenue	3,197	(11%)	3,575	(8%)	3,885

Operating costs

Treasury	(96)	12%	(85)	(3%)	(89)
Investment Banking	(45)	2%	(45)	12%	(40)
Asset Management	(94)	(16%)	(112)	10%	(101)
Corporates & Media	(103)	(10%)	(116)	(28%)	(158)
Direct customer segment	(338)	(5%)	(358)	(8%)	(388)
Channels	(932)	(15%)	(1,103)	3%	(1,069)
Operations & Technology	(676)	(8%)	(734)	(4%)	(767)
Content	(286)	(5%)	(302)	(4%)	(315)
Corporate Services	(124)	(34%)	(188)	(29%)	(266)
Reuters	(2,356)	(12%)	(2,685)	(4%)	(2,805)
Instinet Group	(544)	(35%)	(835)	21%	(690)
Restructuring costs	(178)	(15%)	(208)	110%	(99)
Intra-group costs	7	(26%)	9	(18%)	11
	(3,071)	(17%)	(3,719)	4%	(3,583)

Operating profit

Treasury	922	(12%)	1,049	(5%)	1,100
Investment Banking	667	(15%)	789	2%	775
Asset Management	536	(10%)	597	2%	589
Corporates & Media	201	-	199	6%	190
Segmental revenue less direct customer segment costs	2,326	(12%)	2,634	(1%)	2,654
Channels	(932)	(15%)	(1,103)	3%	(1,069)
Operations & Technology	(676)	(8%)	(734)	(4%)	(767)
Content	(286)	(5%)	(302)	(4%)	(315)
Corporate Services	(124)	(34%)	(188)	(29%)	(266)

Reuters	308	-	307	29%	237
Instinet Group	(4)	(98%)	(243)	-	164
Restructuring costs	(178)	(15%)	(208)	110%	(99)
Operating profit/(loss)	126	-	(144)	-	302

Operating costs include amortisation and impairment of goodwill and other intangibles.

Notes on the consolidated profit and loss account continued

1 Segmental analysis continued

Revenue is normally invoiced in the same geographical area in which the customer is located. Revenue earned, therefore, generally represents revenue both by origin and by destination.

The geographical analysis of performance reflects the revenues earned and operating costs incurred in each area excluding amortisation and impairment of goodwill and other intangibles and net currency gain/(loss).

By geography	2003 £m	% change	2002 £m	% change	2001 £m
Revenue					
Europe, Middle East and Africa	1,552	(9%)	1,714	(7%)	1,838
The Americas	1,204	(11%)	1,354	(10%)	1,502
Asia/Pacific	441	(13%)	507	(7%)	545
	3,197	(11%)	3,575	(8%)	3,885
Operating costs where incurred					
Europe, Middle East and Africa	(1,474)	(5%)	(1,557)	(11%)	(1,751)
The Americas	(1,232)	(20%)	(1,548)	10%	(1,411)
Asia/Pacific	(253)	(18%)	(307)	(6%)	(327)
	(2,959)	(13%)	(3,412)	(2%)	(3,489)
Contribution					
Europe, Middle East and Africa	78	(50%)	157	81%	87
The Americas	(28)	85%	(194)	–	91
Asia/Pacific	188	(5%)	200	(9%)	218
	238	47%	163	(59%)	396
Other costs					
Goodwill and other intangibles:					
Amortisation	(101)	(5%)	(107)	31%	(81)
Impairment	(20)	(90%)	(208)	–	–
Net currency gain/(loss)	9	24%	8	–	(13)
Operating profit/(loss)	126	–	(144)	–	302

United Kingdom and Ireland revenue was £428 million (2002: £485 million, 2001: £521 million). With the exception of Instinet Group, Reuters products are delivered and sold primarily through a common geographical infrastructure and delivered over a number of communications networks.

The impact of the Multex acquisition in 2003, the Island acquisition in 2002 and the Bridge acquisition in 2001 are reflected principally in the Americas see note 31).

Revenue by type	2003 £m	% change	2002 £m	% change	2001 £m
Recurring	2,449	(9%)	2,699	(1%)	2,724
Usage	643	(10%)	713	(24%)	946
Outright	105	(36%)	163	(25%)	215
	3,197	(11%)	3,575	(8%)	3,885

Recurring revenue is derived from the sale of subscription services, including maintenance contracts. Usage revenue is principally derived from Instinet Group, Dealing 2000-2 and Dealing 3000 Spot Matching and Bridge Trading Company. Outright revenue comprises once-off sales including information and risk management solutions.

2 Operating costs

Costs by type	2003 £m	% change	2002 £m	% change	2001 £m
Salaries, commission and allowances	1,015	(14%)	1,180	(9%)	1,299
Social security costs	73	(8%)	79	(5%)	83
Other, pension costs (see note 23)	50	(21%)	65	4%	63
Staff costs	1,138	(14%)	1,324	(8%)	1,445
Services	722	(11%)	811	(8%)	883
Depreciation	193	(15%)	227	(8%)	246
Data	300	(13%)	343	1%	340
Communications	376	(10%)	420	25%	335
Space	269	(14%)	312	29%	242
Cost of sales and other	10	(78%)	46	(16%)	55
Goodwill and other intangibles (see note 14):					
Amortisation	101	(5%)	107	31%	81
Impairment	20	(90%)	208	–	–
Other operating income	(48)	(32%)	(71)	25%	(57)
Currency hedging activities – net loss/(gain)	11	–	(10)	–	2
Foreign currency translation – net (gain)/loss	(21)	–	2	–	11
Total costs by type	3,071	(17%)	3,719	4%	3,583

The directors believe that the nature of the Group's business is such that the format of the analysis of operating costs required by the Companies Act 1985 is not appropriate. The format has been adopted in a manner consistent with the Group's activities. Services include equipment hire and bought-in services, including consultancy and contractors, advertising and publicity, professional fees and staff-related expenses. Other operating income comprises amounts received from joint ventures and others in respect of costs incurred by Reuters on their behalf.

Costs by function	2003 £m	% change	2002 £m	% change	2001 £m
Production and communications	1,661	(15%)	1,947	3%	1,883
Selling and marketing	580	1%	574	(23%)	741
Support services and administration	541	(21%)	683	(11%)	766
Goodwill and other intangibles:					
Amortisation	101	(5%)	107	31%	81
Impairment	20	(90%)	208	–	–
Restructuring costs	178	(15%)	208	110%	99
Net currency (gain)/loss	(10)	25%	(8)	–	13
Total costs by function	3,071	(17%)	3,719	4%	3,583

Costs include	2003 £m	% change	2002 £m	% change	2001 £m
Development expenditure	171	(15%)	200	(32%)	294
Operating lease expenditure:					
Hire of equipment	8	(11%)	9	(31%)	13
Other, principally property	107	(4%)	112	4%	108
Loss on disposal of tangible fixed assets	–	–	1	–	11
Advertising	37	18%	32	(7%)	34

Notes on the consolidated profit and loss account continued

2 Operating costs continued

Fees payable to PricewaterhouseCoopers were as follows:

	2003 £m	% change	2002 £m	% change	2001 £m
Audit services:					
Statutory audit	3.0	30%	2.3	5%	2.2
Audit related services:					
Regulatory reporting	0.1	(50%)	0.2	–	–
Further assurance services	1.7	6%	1.6	(43%)	2.8
Tax services:					
Compliance services	0.8	(11%)	0.9	14%	0.7
Advisory services	0.8	14%	0.7	(50%)	1.4
Other services:					
Management consultancy	–	–	3.4	(52%)	7.1
Other	–	–	–	–	0.9
Total fees	6.4	(30%)	9.1	(40%)	15.1
United Kingdom	2.6	(60%)	5.8	(37%)	9.2
Overseas	3.8	15%	3.3	(44%)	5.9

The statutory audit fee includes £10,000 (2002: £10,000, 2001: £10,000) in respect of the parent company audit.

Further assurance services predominantly consist of due diligence activities related to acquisitions and disposals. Tax compliance services include assistance with corporation and other tax returns. Tax advisory services relate to tax planning and employee-related issues.

Management consultancy fees include amounts earned in 2001 and 2002 by PwC Consulting, which ceased to be part of PricewaterhouseCoopers on 1 October 2002.

The directors consider it important that the company has access to a broad range of external advice, including from PricewaterhouseCoopers. Where appropriate, work is put out to competitive tender. The Audit Committee monitors the relationship with PricewaterhouseCoopers, including the level of non-audit fees.

3 Net interest receivable/(payable)

	2003 £m	2002 £m	2001 £m
Interest receivable:			
Listed investments	–	1	1
Unlisted investments	13	19	28
Share of joint ventures and associates interest (see note 16)	5	9	16
	18	29	45
Interest payable:			
Bank loans and overdraft	(10)	(4)	(3)
Other borrowings	(36)	(45)	(51)
Unwinding of discount on provisions	(1)	–	–
	(47)	(49)	(54)
Total net interest payable	(29)	(20)	(9)

4 Taxation on profit on ordinary activities

	2003 £m	2002 £m	2001 £m
UK corporation tax			
Current tax on income for the period	68	43	37
Share of joint ventures and associates tax (see note 16)	1	–	–
Adjustments in respect of prior periods	(19)	(13)	(19)
	50	30	18
Double taxation relief	(4)	(7)	(23)
	46	23	(5)
Foreign tax			
Current tax on income for the period	26	82	150
Share of joint ventures and associates tax (see note 16)	6	6	(4)
Adjustments in respect of prior periods	(36)	(9)	16
	(4)	79	162
Total current tax	42	102	157
Deferred taxation (see note 24)	(20)	(79)	(50)
Tax on profit/(loss)	22	23	107

In accordance with the requirements of FRS 19 'Deferred Tax', a reconciliation of the current tax charge on ordinary activities for the period reported in the profit and loss account is set out below.

	2003 £m	2002 £m	2001 £m
Profit/(loss) before tax	49	(493)	158
Corporation tax on pre-tax profit/(loss) at UK nominal rate of 30%	15	(148)	48
Non-tax deductible amortisation and impairment of goodwill and other intangibles	30	88	28
Adjustments in respect of prior years	(55)	(22)	(3)
Permanent differences	7	13	2
Book profit on Instinet IPO not taxable	–	–	(60)
Non-tax deductible investment impairments	5	77	86
Fixed asset related timing differences	(12)	1	5
Non-fixed asset related timing differences	(15)	39	11
Tax losses not currently utilised	56	35	35
Tax on dividend received on acquisition of Island	–	10	–
Other differences	11	9	5
Total current tax	42	102	157

The other differences are primarily due to overseas profits taxed at rates differing from those in the UK and the geographical mix of profits.

No tax is expected to fall due in respect of the disposal of fixed asset investments, subsidiaries and associates in 2004 (2003 and 2002: £nil).

There is no tax impact on the unrealised gains arising in 2003 (2002 and 2001: £nil).

Notes on the consolidated profit and loss account continued

5 Dividends

	2003 £m	2002 £m	2001 £m
Interim paid	54	53	54
Final (2003 proposed)	86	86	86
	140	139	140
Per ordinary share	Pence	Pence	Pence
Interim paid	3.85	3.85	3.85
Final (2003 proposed)	6.15	6.15	6.15
	10.00	10.00	10.00

6 Earnings per ordinary share

Basic and diluted earnings per ordinary share are based on the results attributable to ordinary shareholders and on the weighted average number of those shares in issue during the year. The weighted average number of shares in issue may be reconciled to the number used in the basic and diluted earnings per ordinary share calculations as follows:

Weighted average number in millions	2003	2002	2001
Ordinary shares in issue	1,432	1,432	1,431
Non-vested shares held by employee share ownership trusts	(36)	(37)	(27)
Basic earnings per share denominator	1,396	1,395	1,404
Issuable on conversion of options	18	–	28
Diluted earnings per share denominator	1,414	1,395	1,432

7 Remuneration of directors

The remuneration report on pages 17-24 includes details of directors' emoluments, pension arrangements, long-term incentive plans and stock option plans; details of which form part of these financial statements.

8 Employee information

The average number of employees during the year was as follows:

Customer segment	2003	2002	2001
Treasury	465	373	241
Investment Banking	189	169	166
Asset Management	627	759	354
Corporates & Media	793	858	1,279
Direct customer segment	2,074	2,159	2,040
Channels	5,431	5,843	5,901
Operations & Technology	3,563	3,633	3,475
Content	3,399	3,348	3,813
Corporate Services	1,533	1,619	1,508
Reuters	16,000	16,602	16,737
Instinet Group	1,345	1,731	2,251
Total	17,345	18,333	18,988
By location			
Europe, Middle East and Africa	8,743	8,920	9,283

The Americas	6,065	6,874	6,998
Asia/Pacific	2,537	2,539	2,707
<hr/>			
Total	17,345	18,333	18,988
<hr/>			
By function			
Production and communications	9,022	9,658	9,809
Selling and marketing	4,846	5,146	5,282
Support services and administration	3,477	3,529	3,897
<hr/>			
Total	17,345	18,333	18,988
<hr/>			
The above include:			
Development staff	2,123	2,109	2,440
<hr/>			

The average number of employees during 2003 included 211 temporary staff (2002: 281, 2001: 341).

Notes on the consolidated cash flow statement

9 Net cash inflow from operating activities

Operating profit is reconciled to net cash inflow from operating activities as follows:

	2003 £m	2002 £m	2001 £m
Operating profit/(loss)	126	(144)	302
Depreciation	193	227	246
Amortisation and impairment of goodwill and other intangible assets	121	315	81
(Increase)/decrease in stocks	(1)	2	4
Decrease/(increase) in debtors	316	241	(6)
(Decrease)/increase in creditors	(316)	(314)	254
Loss on disposal of tangible fixed assets	–	1	11
Amounts written (back)/off interests in own shares	(12)	3	12
Other, principally translation differences	2	24	(17)
Net cash inflow from operating activities	429	355	887

10 Analysis of cash flows for headings netted in the cash flow statement

	2003 £m	2002 £m	2001 £m
Acquisitions and disposals (including joint ventures and associates)			
Cash consideration:			
Subsidiary undertakings (see note 31)	(155)	(41)	(373)
Joint ventures	–	(2)	(44)
Associates	–	–	(22)
Loans (repaid to)/from joint ventures and associates	(3)	6	(9)
Deferred payments for acquisitions in prior years	(11)	(5)	(3)
	(169)	(42)	(451)
Less cash acquired (net of cash disposed)	38	29	5
	(131)	(13)	(446)
Cash received from disposals (including deemed disposals):			
Subsidiary undertakings	10	4	357
Joint ventures and associates	15	3	–
	(106)	(6)	(89)
Management of liquid resources			
(Increase)/decrease in term deposits	(5)	84	(66)
Purchase of certificates of deposit	–	–	(31)
Sale of certificates of deposit	–	1	30
Purchase of listed/unlisted securities	(3,582)	(4,587)	(1,566)
Sale of listed/unlisted securities	3,488	4,880	1,185
Net (increase)/decrease in short-term investments	(99)	378	(448)
Financing			
(Decrease)/increase in short-term borrowings	(78)	(173)	300
Increase in long-term borrowings	65	15	50
Net cash (outflow)/inflow from financing	(13)	(158)	350

11 Analysis of net funds

	Bank/other borrowings						
	Cash at bank and in hand £m	Overdrafts £m	Total cash and overdrafts £m	Short-term investments £m	Falling due within one year £m	Falling due after more than one year £m	Total £m
31 December 2001	138	(86)	52	1,019	(595)	(338)	138
Cash flow	23	63	86	(378)	173	(15)	(134)
Exchange movements	(3)	4	1	(71)	(1)	–	(71)
Arising on acquisition	–	–	–	–	1	–	1

31 December 2002	158	(19)	139	570	(422)	(353)	(66)
Cash flow	(86)	(11)	(97)	99	78	(65)	15
Exchange movements	–	1	1	(50)	8	12	(29)
Arising on acquisition	–	–	–	3	–	–	3
31 December 2003	72	(29)	43	622	(336)	(406)	(77)

12 Derivatives and other financial instruments

Discussion of the Group's objectives and policies for the management of financial instruments and associated risks together with information relating to hedging activities is included under 'Treasury management' in the Operating and financial review on pages 38-39.

A substantial portion of Reuters revenue is receivable in foreign currencies with terms of payment up to three months in advance. As such, Reuters is subject to currency exposure from committed revenue and, additionally, to interest rate risk from borrowing and the investment of cash balances. Reuters seeks to limit these risks by entering into a mix of derivative financial instruments.

If the derivative financial instruments were considered separately from the underlying future revenue and interest, Reuters would be subject to market risk on these financial instruments from fluctuations in currency and interest rates. Reuters only enters into such derivative financial instruments to hedge (or reduce) the underlying exposure described above. There is, therefore, no net market risk on such derivative financial instruments and only a credit risk from the potential non-performance by counterparties. The amount of this credit risk is generally restricted to any hedging gain and not the principal amount hedged.

Derivative instruments held at 31 December were:

	2003			2002			2001		
	Gross contract amounts £m	Carrying value £m	Fair value £m	Gross contract amounts £m	Carrying value £m	Fair value £m	Gross contract amounts £m	Carrying value £m	Fair value £m
Foreign exchange forward contracts:									
Contracts in profit	102	–	1	96	–	7	110	–	13
Contracts in loss	63	–	(1)	154	–	(6)	143	–	(3)
Foreign currency options:									
Contracts in profit	23	–	1	194	2	1	163	–	1
Contracts in loss	88	–	(1)	60	–	(1)	148	–	(2)
Currency and interest rate swaps:									
Contracts in profit	614	26	27	361	12	16	210	–	1
Contracts in loss	67	–	–	203	(14)	(17)	127	–	(1)
Total	957	26	27	1,068	–	–	901	–	9

The fair values of foreign currency and interest rate management instruments are estimated on the basis of market quotes, discounted to current value using market-quoted interest rates.

The following table provides an analysis by currency of derivative contracts held for currency hedging purposes as at 31 December.

	2003			2002			2001		
	Swaps %	Forwards %	Options %	Swaps %	Forwards %	Options %	Swaps %	Forwards %	Options %
Euro	4	60	100	–	54	100	–	22	90
Japanese yen	–	3	–	–	33	–	–	31	–
US dollar	88	36	–	–	–	–	–	23	10
Other	8	1	–	–	13	–	–	24	–
Total	100	100	100	–	100	100	–	100	100

Foreign exchange forward contracts and options mature at dates up to June 2004; currency swaps and interest rate swaps both mature at various dates through to November 2010.

Notes on the consolidated cash flow statement continued

12 Derivatives and other financial instruments continued

The results of currency and interest rate hedging activities for the three years to December 2003 are as summarised below:

Recognised gains/(losses)	Year to 31 December		
	2003 £m	2002 £m	2001 £m
Currency hedging	11	10	(4)
Interest rate hedging	(3)	(2)	(1)

Recognised currency hedging gains in 2003 were favourable mainly due to the effect of the weaker US dollar on hedges of the net investment in overseas subsidiaries.

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised. Unrecognised gains and losses on instruments used for hedging, and the movements, are set out below:

Hedging	Gains £m	(Losses) £m	Net £m
Unrecognised at 1 January 2003	13	(13)	0
Arising in previous years recognised in 2003	(11)	10	(1)
not recognised in 2003	2	(3)	(1)
Arising in 2003 not recognised in 2003	3	(1)	2
Unrecognised at 31 December 2003	5	(4)	1
Of which:			
expected to be recognised in 2004	4	(2)	2
expected to be recognised in 2005 or later	1	(2)	(1)

Net unrecognised gains on derivatives used for hedging were £1 million at 31 December 2003 compared to £nil at 31 December 2002 and unrecognised gains of £9 million in 2001.

The weighted average variable rate payable on the interest rate swaps used to alter the currency and interest rate profile of debt issued at 31 December 2003 was 3% (2002: 4%, 2001: 4%). The weighted average variable rate is based on the rate implied in the yield curve at the balance sheet date.

All derivative instruments are unsecured. However, Reuters does not anticipate non-performance by the counterparties who are all banks with recognised long-term credit ratings of 'A3/A-' or higher.

Carrying and fair values of Group financial assets and liabilities at 31 December were:

	2003		2002		2001	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Derivative instruments	26	27	–	–	–	9
Other financial assets:						
Fixed asset investments	54	73	66	67	140	160
Long-term debtors	21	21	12	12	15	15
Short-term investments and cash	694	694	728	728	1,157	1,160
Other financial liabilities:						
Short-term borrowings	(365)	(365)	(441)	(441)	(681)	(681)
Long-term borrowings	(406)	(406)	(353)	(353)	(338)	(338)
Other long-term financial liabilities	(113)	(113)	(88)	(88)	(29)	(29)

The fair value of fixed asset investments is the carrying value unless the investment has a readily determinable market value which is higher.

The fair value of listed short-term investments was based on quoted market prices for those investments. The carrying amount of the other short-term deposits and investments approximated to their fair values due to the short maturity of the instruments held.

The fair value of short-term borrowings approximated to the carrying value due to the short maturity of the investments.

The fair value of long-term liabilities is after taking into account the effect of interest rate swaps.

Short-term debtors and creditors have been excluded from the above analysis and all other disclosures in this note, other than the currency risk disclosures.

12 Derivatives and other financial instruments continued

Financial instrument sensitivity analysis

The analysis below summarises the sensitivity of the fair value of the Group's financial instruments to hypothetical changes in market rates. Fair values are the present value of future cash flows based on market rates at the valuation date.

The estimated adverse changes in the fair value of financial instruments are based on an instantaneous:

- i) 1% increase in the specific rate of interest from the levels effective at 31 December 2003 with all other variables remaining constant; and
- ii) 10% weakening in the value of sterling against all other currencies from the levels applicable at 31 December 2003 with all other variables remaining constant.

	Fair value changes arising from		
	Fair value £m	1% increase in interest rates (adverse) £m	10% weakening in £ against other currencies (adverse) £m
Currency and interest rate swaps	27	(26)	3
Forward contracts	–	–	(16)
Total	27	(26)	(13)

Monetary assets and liabilities by currency, after cross currency swaps, excluding the functional currency of each operation at 31 December 2003, were:

	Net foreign currency monetary assets/(liabilities)							
	Sterling £m	US dollar £m	Euro £m	Swiss franc £m	Japanese yen £m	Hong Kong dollar £m	Other £m	Total £m
Functional currency of operation:								
Sterling	–	(405)	(3)	(38)	2	–	10	(434)
US dollar	(21)	–	–	(10)	–	–	–	(31)
Euro	(10)	–	–	–	–	–	1	(9)
Swiss franc	26	1	4	–	(2)	–	–	29
Japanese yen	1	–	–	–	–	–	–	1
Hong Kong dollar	2	19	–	–	(3)	–	(1)	17
Other	(3)	18	–	–	–	–	–	15
Total	(5)	(367)	1	(48)	(3)	–	10	(412)

Exchange differences that arise as a consequence of trading transactions and the translation of monetary assets and liabilities are taken to the profit and loss account. Exchange differences attributable to long-term foreign currency borrowings used to finance the Group's foreign currency investments are taken directly to reserves.

The currency and interest rate profile of the Group's financial assets at 31 December 2003 was:

	Cash and short-term investments				Fixed rate investments		
	Total £m	Non-interest bearing £m	Floating rate investments £m	Fixed rate investments £m	Weighted average interest rate at 31 December %	Weighted average time for which rate is fixed Years	
Sterling	105	1	98	6	4%	1	
US dollar	559	55	503	1	2%	1	
Euro	45	4	41	–	–	–	
Other	57	12	31	14	2%	1	
31 December 2003	766	72	673	21	2%	1	
31 December 2002	806	78	717	11	2%	1	
31 December 2001	1,312	155	1,022	135	3%	2	

Sterling, US dollar and euro short-term floating rate investments include £303 million (2002: £135 million, 2001: £301 million) of money market deposits which mature within three months of the balance sheet date. Interest on floating rate investments is earned at rates based on local money market rates.

Fixed rate investments are those investments which have an interest rate fixed for a period of greater than one year.

Notes on the consolidated cash flow statement continued

12 Derivatives and other financial instruments continued

The currency and interest rate profile of the Group's financial liabilities, after allowing for interest rate and cross currency swaps, at 31 December 2003 was:

	Borrowings		
	Total £m	Other financial liabilities £m	Floating rate borrowings £m
Sterling	291	30	261
US dollar	515	72	443
Euro	29	8	21
Swiss franc	39	–	39
Other	10	3	7
31 December 2003	884	113	771
31 December 2002	882	88	794
31 December 2001	1,048	29	1,019

The floating rate borrowings comprise bank loans and overdrafts bearing interest at rates based on local money market rates, commercial paper and medium-term notes. The weighted average interest rate on bank borrowings at 31 December 2003 was 4% (2002: 4%, 2001: 4%). The above analysis excludes creditors falling due within one year which are of a non-financial nature.

Total financial liabilities are repayable as follows:

	2003		2002		2001	
	Borrowings £m	Other financial liabilities £m	Borrowings £m	Other financial liabilities £m	Borrowings £m	Other financial liabilities £m
Within one year	365	55	441	35	681	16
Between one and two years	58	19	282	23	137	3
Between two and five years	348	39	71	30	201	10
Total	771	113	794	88	1,019	29

In April 2003, Reuters Group PLC entered into syndicated credit facilities for £1.0 billion, of which £640 million expires in 2008 and £360 million expires in 2004, with the ability to extend the maturity of the latter in whole or in part in certain circumstances. The facility is at variable interest rates based on LIBOR, the London Interbank Offer Rate, is committed and may be drawn and redrawn up to one month prior to its maturity in April 2008. There are also bilateral facilities of £90 million. At December 2003, the above facilities were undrawn. In January 2004, the company cancelled £200 million of the portion of the syndicated facility and £10 million of the bilateral facilities which expire in April 2004.

In March 1998, Reuters established a Euro Commercial Paper Programme. This provides access to £1.5 billion of uncommitted short-term finance of which £1,487 million was unused at 31 December 2003. In December 1998, Reuters established a £1.0 billion Euro Medium Term Note Programme of which £273 million was unused at 31 December 2003.

In addition, at 31 December 2003, the Group had unused, short-term, uncommitted bank borrowing facilities denominated in various currencies, the sterling equivalent of which was approximately £500 million, at money market rates varying principally between 0% and 5%, depending on the currency.

Consolidated balance sheet

at 31 December

	Notes	2003 £m	2002 £m	2001 £m
Fixed assets				
Intangible assets	14	375	418	498
Tangible assets	15	481	601	691
Investments	16			
Investments in joint ventures:				
Share of gross assets		108	207	270
Share of gross liabilities		(56)	(110)	(118)
		52	97	152
Share of net assets of associates		230	266	329
Other investments		128	134	293
		1,266	1,516	1,963
Current assets				
Stocks	17	2	1	3
Debtors	18	708	1,019	1,231
Deferred taxation	24	273	260	184
Short-term investments	19	622	570	1,019
Cash at bank and in hand		72	158	138
		1,677	2,008	2,575
Creditors: Amounts falling due within one year	20	(1,766)	(2,198)	(2,709)
Net current liabilities		(89)	(190)	(134)
Total assets less current liabilities		1,177	1,326	1,829
Creditors: Amounts falling due after more than one year	21	(425)	(354)	(344)
Provisions for liabilities and charges				
Pensions and similar obligations	23	(63)	(59)	(58)
Deferred taxation	24	(33)	(27)	(30)
Other provisions	25	(175)	(159)	(124)
Net assets		481	727	1,273
Capital and reserves				
	26			
Called-up share capital		358	358	358
Share premium account		91	91	89
Other reserve		(1,717)	(1,717)	(1,717)
Capital redemption reserve		1	1	1
Profit and loss account reserve		1,553	1,763	2,378
Shareholders' equity		286	496	1,109
Equity minority interests		195	231	164
Capital employed		481	727	1,273

The balance sheet of Reuters Group PLC is shown on page 71.

The financial statements on pages 42-73 and the summary of differences between UK and US generally accepted accounting principles on pages 74-79 were approved by the directors on 3 March 2004.

Tom Gloer
Chief Executive

David Grigson
Finance Director

Reconciliation of movements in shareholders' funds

for the year ended 31 December

	2003 £m	2002 £m	2001 £m
Loss for the period	(97)	(543)	(94)
Unrealised gain on deemed partial disposal of subsidiary undertakings	–	1	11
Unrealised gain on deemed partial disposal of associates	–	12	–
Unrealised gain on disposal of fixed asset investments	–	10	–
Translation differences taken directly to reserves	(113)	(95)	23
Shares issued during the year	–	2	16
Net movement in shareholders' equity	(210)	(613)	(44)
Opening shareholders' equity	496	1,109	1,153
Closing shareholders' equity	286	496	1,109

Notes on the consolidated balance sheet

13 Segmental analysis

The tables below show total assets and non-interest bearing net assets by customer segment and by location on a basis consistent with the segmental analysis of profit in note 1. For the reasons discussed in that note, the assets in any location are not matched with the revenue earned in that location.

	Total assets			Non-interest bearing net assets		
	2003 £m	2002 £m	2001 £m	2003 £m	2002 £m	2001 £m
By customer segment						
Treasury Services	200	227	224	121	141	171
Investment Banking	113	131	162	47	49	67
Asset Management	125	160	175	45	55	74
Corporates & Media	136	170	224	42	75	109
Total customer segment	574	688	785	255	320	421
Channels	387	437	513	235	269	323
Operations & Technology	303	435	522	199	236	319
Content	27	27	36	(56)	(66)	(69)
Corporate Services	13	14	19	(27)	(33)	(28)
Central	485	579	699	(39)	(12)	48
Instinet Group	1,154	1,344	1,964	(9)	79	121
Total assets/non-interest bearing net assets	2,943	3,524	4,538	558	793	1,135
Interest bearing net assets				(77)	(66)	138
Total net assets				481	727	1,273

	Total assets			Non-interest bearing net assets		
	2003 £m	2002 £m	2001 £m	2003 £m	2002 £m	2001 £m
By location						
Europe, Middle East and Africa	974	1,381	1,803	203	633	652
The Americas	1,323	1,660	2,093	117	253	523
Asia/Pacific	157	192	241	42	40	64
Central	489	291	401	196	(133)	(104)
Total assets/non-interest bearing net assets	2,943	3,524	4,538	558	793	1,135
Fixed assets	1,266	1,516	1,963			
Current assets	1,677	2,008	2,575			
Total assets	2,943	3,524	4,538			

Central total assets by customer segment consist principally of Reuters cash and short-term investments plus interests in own shares, joint ventures and associates. Central total assets by location consist principally of those assets held by head office operations together with unamortised goodwill and other intangibles.

14 Intangible assets

	Goodwill £m	Trade names £m	Technology know-how £m	Total £m
Cost				
31 December 2002	1,037	36	127	1,200
Reclassification	(22)	–	22	–
Exchange differences	(70)	3	(12)	(79)
Additions	99	–	24	123
Disposals	(8)	–	–	(8)
31 December 2003	1,036	39	161	1,236

Amortisation and impairment

31 December 2002	(758)	(5)	(19)	(782)
Reclassification	1	–	(1)	–
Exchange differences	32	–	3	35
Disposals	7	–	–	7
Charged in the year:				
Amortisation	(73)	(5)	(23)	(101)
Impairment	(7)	(1)	(12)	(20)
31 December 2003	(798)	(11)	(52)	(861)
Net book amount				
31 December 2003	238	28	109	375
31 December 2002	279	31	108	418

The reclassification results from the finalisation of the fair value adjustments in respect of the acquisition of AVT Technologies Limited in 2002 and is based on an independent valuation performed by professionally qualified valuers.

Notes on the consolidated balance sheet continued

15 Tangible assets

	Freehold property £m	Leasehold property £m	Computer systems equipment £m	Office equipment and motor vehicles £m	Total £m
Cost					
31 December 2002	228	251	1,450	316	2,245
Exchange differences	(4)	(22)	(101)	(19)	(146)
Additions	23	5	90	12	130
Acquisitions	–	4	4	1	9
Disposals	(2)	(24)	(403)	(63)	(492)
31 December 2003	245	214	1,040	247	1,746
Depreciation					
31 December 2002	(75)	(113)	(1,210)	(246)	(1,644)
Exchange differences	–	3	90	19	112
Charged in the year	(7)	(24)	(124)	(38)	(193)
Impairment	(17)	–	–	–	(17)
Acquisitions	–	–	(2)	–	(2)
Disposals	2	22	393	62	479
31 December 2003	(97)	(112)	(853)	(203)	(1,265)
Net book amount					
31 December 2003	148	102	187	44	481
31 December 2002	153	138	240	70	601

The impairment charge for freehold property represents a provision for loss on disposal of London-based property. The disposal was completed in January 2004 (see note 33).

	2003 £m	2002 £m
Net book amount of leasehold property		
Long-term leaseholds	44	38
Short-term leaseholds	58	100
	102	138
Contracted capital commitments	14	11

16 Investments

	Interests in own shares £m	Interests in joint ventures £m	Interests in associates £m	Other investments £m	Total £m
Net assets/cost					
31 December 2002	68	94	258	66	486
Reclassifications	–	(7)	–	(4)	(11)
Exchange differences	–	(4)	(22)	(2)	(28)
Additions	–	–	–	3	3
Arising in year – share of:					
Operating losses	–	(24)	(4)	–	(28)
Interest receivable	–	1	4	–	5
Taxation	–	(4)	(3)	–	(7)
Dividends received	–	–	(3)	–	(3)
Loans to joint ventures (see note 29)	–	6	–	–	6
Loan to joint venture written off (see note 29)	–	(8)	–	–	(8)
Impairments	(3)	–	(1)	(3)	(7)
Amount written back	9	–	–	–	9
Disposals (see note 31)	–	(2)	(3)	(6)	(11)
31 December 2003	74	52	226	54	406
Goodwill					
31 December 2002	–	3	8	–	11
Charged in the year	–	(3)	(4)	–	(7)
31 December 2003	–	–	4	–	4
Net book amount					
31 December 2003					
Net assets/cost	74	52	226	54	406
Goodwill	–	–	4	–	4
	74	52	230	54	410
31 December 2002					
Net assets/cost	68	94	258	66	486
Goodwill	–	3	8	–	11
	68	97	266	66	497
Listed investments at 31 December 2003					
Carrying value	74	–	199	11	284
Market value	84	–	464	30	578

The net book amount of interests in own shares represents the cost less amounts written off and impairments in respect of 36 million Reuters ordinary shares held by employee share ownership trusts (ESOTs). These were acquired on the open market using funds provided by Reuters. The amount written back includes employee interests under incentive plans which were being charged against profit over the vesting period of the awards (see pages 18-19). The ESOTs have waived dividend and voting rights on all shares they hold. The aggregate dividend waived on these shares in 2003 was £4 million (2002: £4 million, 2001: £3 million).

The carrying value of interests in joint ventures and associates at 31 December 2003 comprises the following assets and liabilities:

	Joint ventures £m	Associates £m
Fixed assets	57	95
Current assets	51	218
Liabilities falling due within one year	(52)	(64)
Liabilities falling due after more than one year	(4)	(19)
	52	230
Share of revenue	100	138

Other investments consist principally of small equity investments. Impairment write downs have been made when, based on directors' valuations, a permanent diminution in the carrying value of the investment has occurred.

The reclassifications reflect the acquisition of Multex. (See note 31).

Had all listed investments been disposed of on 31 December 2003, tax of approximately £8 million would have been payable on the assumption that none of the earnings would be repatriated. The market value of interests in associates excludes 2.5 million TSI shares held by Reuters, which are subject to options held by Reuters employees who worked at TIBCO Finance Technology Inc., a former Reuters subsidiary which was incorporated into other Reuters businesses in 2001.

Notes on the consolidated balance sheet continued

17 Stocks

	2003 £m	2002 £m	2001 £m
Contract work in progress	2	2	5
Less progress payments	–	(2)	(3)
	2	–	2
Equipment stocks	–	1	1
Total stocks	2	1	3

18 Debtors

	2003 £m	2002 £m	2001 £m
Amounts falling due within one year			
Trade debtors	211	249	299
Less allowance for doubtful accounts	(41)	(52)	(47)
	170	197	252
Instinet counterparty debtors	356	514	621
Amounts owed by joint ventures and associates	21	81	104
Other debtors	84	149	160
Prepayments and accrued income	56	66	79
	687	1,007	1,216
Amounts falling due after more than one year			
Other debtors	16	12	15
Prepayments and accrued income	5	–	–
Total debtors	708	1,019	1,231

19 Short-term investments

		2003 £m	2002 £m	2001 £m
Listed				
Government securities:	UK	10	23	–
	Overseas	18	29	55
Other deposits	Overseas	109	329	342
		137	381	397
Unlisted				
Certificates of deposit	UK	1	2	1
Term deposits:	UK	47	47	70
	Overseas	32	29	74
Other deposits:	UK	24	4	61
	Overseas	381	107	416
		485	189	622
Total short-term investments		622	570	1,019

20 Creditors: Amounts falling due within one year

	2003 £m	2002 £m	2001 £m
Trade creditors	95	103	142
Accruals	446	519	556
Instinet counterparty creditors	389	545	709
Deferred income	29	57	68
Amounts owed to joint ventures and associates	29	86	118
Other creditors	33	37	66
Other taxation and social security	40	65	49
	1,061	1,412	1,708
Bank overdrafts	29	19	86
Bank loans	1	11	7
Other borrowings	335	411	588
Current UK corporation and overseas taxation	254	259	234
Proposed dividend	86	86	86
	1,766	2,198	2,709
Total creditors falling due within one year			
Current UK corporation and overseas taxation comprises:			
UK corporation tax	170	125	102
Overseas taxes	84	134	132
	254	259	234

21 Creditors: Amounts falling due after more than one year

	2003 £m	2002 £m	2001 £m
Term notes and commercial paper	406	353	337
Bank borrowings	–	–	1
Accruals	19	–	2
Amounts owed to joint ventures	–	1	4
	425	354	344
Total creditors falling due after more than one year			

The maturity profile of all bank overdrafts, bank loans and other borrowings is given in note 12.

22 Concentration of credit risk

Reuters Group is exposed to concentrations of credit risk. Reuters Group invests in UK and US government securities and with high credit quality financial institutions. Reuters Group limits the amount of credit exposure to any one financial institution. The Group is also exposed to credit risk from its trade debtors, which are concentrated in the financial community. Reuters Group estimates that approximately 70% of its subscribers are financial institutions, 16% are corporations in other sectors of the business community, 6% are from the news media and 8% are government institutions and individuals worldwide (2002: 68%, 19%, 6% and 7% respectively).

Instinet Group is exposed to the possibility of trades between its counterparties failing to settle. Due to the settlement mechanisms employed, the maximum exposure is generally limited to the market movement between the trade date and the settlement date. There are no material unprovided off-balance sheet exposures or positions in respect of trades undertaken on or prior to 31 December 2003.

23 Pensions and similar obligations

Reuters Group has established various pension arrangements covering the majority of its employees. In all plans, except those which are internally funded, the assets are held separately from those of the Group and are independently administered.

Defined contribution plans

Reuters Group operates 32 defined contribution plans covering approximately 66% of its employees, of which the largest plans are, the Reuters Pension Fund, the Reuters Retirement Plan and the Reuters 401(k) Pension Plans. The percentage of employees covered and the company contribution to these plans were:

	% of employees	Company contribution % of basic salary
Reuters Pension Fund	11.7%	9.525%
Reuters Retirement Plan	14.2%	7.0%
Reuters 401(k) Pension Plans	19.8%	6.0%

Defined benefit plans

The Group also operates 33 defined benefit plans covering approximately 18% of employees. Individually, these plans are of a relatively minor nature. The 15 largest plans are valued under SSAP 24 by independently qualified actuaries using the projected unit credit method. The SSAP 24 provision is reviewed annually based on locally reported information, with the most recent review being at 1 January 2003. The smaller remaining plans are subject to regular valuations based on accepted actuarial practice and standards within the country in which the plan is established. The largest plans are directly invested and others are invested in insurance contracts. The remainder are internally funded in accordance with local practice, with provisions in the subsidiary undertakings to recognise the pension obligations.

Notes on the consolidated balance sheet continued

23 Pensions and similar obligations continued

Funding policy is set in accordance with local requirements.

The largest defined benefit plans are the UK Supplementary Pension Scheme (SPS) and those in Switzerland, Japan and Hong Kong. The charges in respect of these plans in 2003 were £2 million, £5 million, £3 million and £2 million respectively (2002: £6 million, £4 million, £3 million and £1 million respectively). Details of the SSAP 24 valuation results in respect of these plans are given below.

	UK SPS	Switzerland	Japan	Hong Kong
% of employees covered	0.3%	3.9%	2.4%	1.0%
Assumptions:				
Investment return: pre-retirement	6.9%	4.5%	3.0%	7.0%
Investment return: post-retirement	5.4%	4.5%	3.0%	7.0%
Salary growth	3.9%	3.0%	3.0%	5.0%
Pension increases	2.4%	1.5%	2.0%	–
Market value of assets (£m)	33	57	14	13
Present value of past service liabilities (£m)	43	70	22	15

Post-retirement medical benefits

In the US, the Group closed its post-retirement medical plan with effect from 1 July 2002. A total of 232 employees, retirees and covered spouses retain entitlement to post-retirement medical benefit which remain unfunded. The principal assumptions used in the most recent actuarial valuation undertaken at 1 January 2003 were a discount rate of 8% and that the growth in health care costs would decrease from 10% per annum per head in 2003 to 6% by 2007 and remain at 5% thereafter.

Movement on pension provisions and similar obligations

	2003 £m	2002 £m	2001 £m
Opening balance	59	58	50
Profit and loss account (see note 2):			
Defined contribution plans	35	47	40
Defined benefit plans	18	18	18
Post-retirement medical benefits	(3)	–	5
	50	65	63
Utilised in the year	(46)	(64)	(55)
Closing balance	63	59	58

FRS 17: 3rd year transitional disclosures

Composition of the schemes

Full actuarial valuations were carried out as at various dates between 31 December 2001 and 31 December 2002, and updated to 31 December 2003 by independent qualified actuaries in accordance with FRS 17. The major assumptions used by the actuary at 31 December 2003 were:

	UK plans			Overseas plans			Post-retirement medical benefits		
	2003 %	2002 %	2001 %	2003 %	2002 %	2001 %	2003 %	2002 %	2001 %
Discount rate	5.50%	5.50%	5.75%	4.03%	4.10%	4.99%	6.25%	6.75%	7.25%
Inflation assumption	2.50%	2.25%	2.50%	1.44%	1.52%	1.79%	2.00%	2.00%	2.00%
Rate of increase in salaries	3.75%	4.00%	4.25%	2.55%	3.06%	3.42%	–	–	–
Rate of increase in pensions in payment	2.50%	2.25%	2.50%	1.42%	1.69%	1.72%	–	–	–

The assets in the scheme and expected return on assets were:

Expected rate of return on assets

	2003 %	2002 %	2001 %	2003 %	2002 %	2001 %	2003 %	2002 %	2001 %
Equities	8.25%	8.25%	8.25%	7.23%	7.60%	7.53%	–	–	–
Bonds	5.00%	5.00%	5.75%	3.76%	3.86%	4.16%	–	–	–
Property	6.67%	6.60%	7.00%	–	–	–	–	–	–

Cash	3.75%	3.50%	3.50%	2.83%	2.65%	2.65%	-	-	-
Other	-	-	-	4.77%	5.25%	6.00%	-	-	-
<hr/>									
Market value (£m)									
Equities	23	19	21	60	50	59	-	-	-
Bonds	11	7	6	43	40	41	-	-	-
Property	1	1	-	-	-	-	-	-	-
Cash	2	6	9	6	3	4	-	-	-
Other	-	-	-	7	4	4	-	-	-
<hr/>									

23 Pensions and similar obligations continued

The following amounts at 31 December were measured in accordance with the requirements of FRS 17.

	UK plans			Overseas plans			Post-retirement medical benefits			Total		
	2003 £m	2002 £m	2001 £m	2003 £m	2002 £m	2001 £m	2003 £m	2002 £m	2001 £m	2003 £m	2002 £m	2001 £m
Total market value of assets	37	33	36	116	97	108	–	–	–	153	130	144
Present value of scheme liabilities	(57)	(63)	(56)	(140)	(132)	(100)	(5)	(6)	(31)	(202)	(201)	(187)
(Deficit)/surplus in the scheme	(20)	(30)	(20)	(24)	(35)	8	(5)	(6)	(31)	(49)	(71)	(43)
Related deferred tax asset	6	9	6	8	10	–	2	2	12	16	21	18
Net pension (liability)/asset	(14)	(21)	(14)	(16)	(25)	8	(3)	(4)	(19)	(33)	(50)	(25)
Made up of:												
Net pension asset	–	–	–	–	–	13	–	–	–	–	–	13
Net pension liability	(14)	(21)	(14)	(16)	(25)	(5)	(3)	(4)	(19)	(33)	(50)	(38)

The assets and liabilities reported under UK plans cover a small UK scheme with 180 members together with unfunded early retirement and retirement benefit schemes, the liabilities of which are covered through book reserves. The figures do not include Reuters Pension Fund, as this is a defined contribution plan and its assets and liabilities are not required to be disclosed under FRS 17.

If the above amounts had been recognised in the financial statements, the Group's net assets and profit and loss reserve at 31 December would be as follows:

	2003 £m	2002 £m	2001 £m
Net assets per consolidated balance sheet	481	727	1,273
Add: net pension liability already recognised in net assets	30	24	24
Net assets before impact of FRS 17	511	751	1,297
Net pension liability under FRS 17	(33)	(50)	(25)
Net assets after impact of FRS 17	478	701	1,272
Consolidated profit and loss account reserve	1,553	1,763	2,378
Add: net pension liability already recognised in profit and loss account reserve	30	24	24
Profit and loss account reserve before impact of FRS 17	1,583	1,787	2,402
Net pension liability under FRS 17	(33)	(50)	(25)
Profit and loss account reserve after impact of FRS 17	1,550	1,737	2,377

Under the requirements of FRS 17, the following amounts would have been recognised in the performance statements in the year to 31 December:

	2003				2002			
	UK plans £m	Overseas plans £m	Post- retirement medical benefits £m	Total £m	UK plans £m	Overseas plans £m	Post- retirement medical benefits £m	Total £m
Analysis of amount charged to operating profit								
Current service cost	1	11	–	12	2	9	2	13
Past service cost	–	1	–	1	–	–	(29)	(29)
Curtailments/settlements	–	–	–	–	5	(1)	–	4
Total operating charge	1	12	–	13	7	8	(27)	(12)
Analysis of amount credited to other finance income								
Expected return on pension scheme assets	2	6	–	8	2	7	–	9
Interest on pension scheme liabilities	(3)	(5)	–	(8)	(3)	(5)	(1)	(9)
Net return	(1)	1	–	–	(1)	2	(1)	–

Notes on the consolidated balance sheet continued

23 Pensions and similar obligations continued

	2003				2002			
	UK plans £m	Overseas plans £m	Post- retirement medical benefits £m	Total £m	UK plans £m	Overseas plans £m	Post- retirement medical benefits £m	Total £m
Analysis of amount recognised in statement of total recognised gains and losses (STRGL)								
Actual return less expected return on pension scheme assets	2	10	–	12	(9)	(17)	–	(26)
Experience gains/(losses) arising on the scheme liabilities	8	(2)	1	7	–	(9)	(3)	(12)
Changes in assumptions underlying the present value of the scheme liabilities	(1)	5	–	4	–	(20)	–	(20)
Actuarial gain/(loss) recognised in the STRGL	9	13	1	23	(9)	(46)	(3)	(58)
Movement in (deficit)/surplus during the year								
(Deficit)/surplus in the scheme at beginning of the year	(30)	(35)	(6)	(71)	(20)	8	(31)	(43)
Movement in year:								
Current service cost	(1)	(11)	–	(12)	(2)	(9)	(2)	(13)
Employer contributions	3	10	–	13	7	10	–	17
Curtailments/settlements	–	–	–	–	(5)	1	–	(4)
Past service costs	–	(1)	–	(1)	–	–	29	29
Other finance income	(1)	1	–	–	(1)	2	(1)	–
Actuarial loss recognised in the STRGL	9	13	1	23	(9)	(46)	(3)	(58)
Effect of currency translation	–	(1)	–	(1)	–	(1)	2	1
Deficit in scheme at end of year	(20)	(24)	(5)	(49)	(30)	(35)	(6)	(71)
History of experience gains and losses								
Difference between the expected and actual return on scheme assets								
Amount (£m)	2	10	–	12	(9)	(17)	–	(26)
Percentage of scheme assets at period end	5.4%	8.6%	–	7.8%	27.8%	17.9%	–	20.4%
Experience gains and losses of scheme liabilities								
Amount (£m)	8	(2)	1	7	–	(9)	(3)	(12)
Percentage of the present value of the scheme liabilities at period end	14.1%	1.4%	20.0%	3.4%	–	5.4%	46.3%	5.7%
Total amount recognised in the STRGL								
Amount (£m)	9	12	1	22	(9)	(47)	(1)	(57)
Percentage of the present value of the scheme liabilities at period end	15.8%	8.6%	20.0%	10.9%	14.8%	35.1%	27.9%	28.3%

Two of the overseas plans are closed to new entrants, therefore under the projected unit credit method, the current service cost will increase as a percentage of payroll as members of the scheme approach retirement. The service cost for these schemes totals £2 million.

Contributions to funded plans in 2004 are expected to remain at similar levels to 2003.

24 Deferred taxation liabilities/(assets)

	2003 £m	2002 £m	2001 £m
Opening balance	(233)	(154)	(103)
Balance sheet reclassification	13	–	(1)
Profit and loss account	(20)	(79)	(50)
Closing balance	(240)	(233)	(154)

The closing balance is analysed below:

Timing differences:			
Fixed asset related	(41)	(39)	(40)
Tax losses	(52)	(55)	(32)
Other	(147)	(139)	(82)
	(240)	(233)	(154)

Reuters Group has only provided for deferred tax liabilities in respect of dividends which are either accrued as receivable or where there is a binding agreement to remit the earnings of overseas subsidiary undertakings, joint ventures and associates. Reuters Group does not expect to remit any earnings from its overseas subsidiary undertakings, joint ventures and associates in the foreseeable future and therefore no tax is expected to be payable.

	Assets £m	Valuation allowance £m	Liabilities £m	Net £m
Total timing differences at 31 December 2003				
Fixed asset related	(74)	16	17	(41)
Tax losses	(155)	103	–	(52)
Other	(163)	–	16	(147)
	(392)	119	33	(240)

The valuation allowance of £16 million in respect of fixed assets is made against assets in respect of which it is uncertain that suitable taxable income will be available when the timing differences reverse.

Similarly, the valuation allowance of £103 million in respect of losses is made where it is uncertain that suitable taxable income will arise. It has increased by £59 million in 2003.

Other timing differences include reorganisation costs, accrued employee costs (including pension costs) and other provisions.

Reuters has not recognised the tax benefit of capital losses arising in the period.

Where appropriate, deferred tax assets and liabilities are shown net for balance sheet presentation purposes. The net closing deferred tax balance has been analysed as:

	2003 £m	2002 £m	2001 £m
Deferred tax asset:			
Amounts falling due within one year	(143)	(113)	(86)
Amounts falling due after more than one year	(130)	(147)	(98)
	(273)	(260)	(184)
Deferred tax liability (included in provisions for liabilities and charges)	33	27	30

Notes on the consolidated balance sheet continued

25 Other provisions

The movement in other provisions during 2003 was as follows:

	Rationalisation £m	Legal/ compliance £m	Other property £m	Other £m	Total £m
31 December 2002	144	1	8	6	159
Translation differences	(8)	–	(1)	–	(9)
Charged against profit	181	–	4	6	191
Utilised in the year	(133)	–	(9)	(3)	(145)
Amortisation of discount	–	–	1	–	1
Released	(19)	–	(1)	(2)	(22)
31 December 2003	165	1	2	7	175

At the end of 2002, the rationalisation provision included costs relating to the unfinished business transformation plan. During 2003, further restructuring programmes including Reuters Fast Forward programme and Instinet Group's restructuring programme were announced which included headcount reduction and property rationalisation. The obligations associated with these programmes are included in the rationalisation provision at the end of 2003. Severance-related provisions will be utilised during 2004 and property-related provisions will be utilised over the remaining lease periods.

The legal/compliance provision represents the expected cost of settling disputes arising from contractual arrangements with third-party suppliers.

Other property provisions reflect Reuters contractual liability at the balance sheet date to make good dilapidations under ongoing rental agreements outside the rationalisation programmes.

26 Capital and reserves

	Called-up share capital £m	Capital redemption reserve £m	Share premium account £m	Other reserve £m	Profit and loss account reserve £m	Share- holders' equity £m
31 December 2000	357	1	71	(1,717)	2,441	1,153
Shares issued during the year	1	–	18	–	(3)	16
Unrealised gain on deemed partial disposal of subsidiary undertaking	–	–	–	–	11	11
Translation differences	–	–	–	–	23	23
Loss for the year	–	–	–	–	(94)	(94)
31 December 2001	358	1	89	(1,717)	2,378	1,109
Shares issued during the year	–	–	2	–	–	2
Unrealised gain on disposal of fixed asset investment	–	–	–	–	10	10
Unrealised gain on deemed partial disposal of subsidiary undertaking	–	–	–	–	1	1
Unrealised gain on deemed partial disposal of associates	–	–	–	–	12	12
Translation differences	–	–	–	–	(95)	(95)
Loss for the year	–	–	–	–	(543)	(543)
31 December 2002	358	1	91	(1,717)	1,763	496
Translation differences	–	–	–	–	(113)	(113)
Loss for the year	–	–	–	–	(97)	(97)
31 December 2003	358	1	91	(1,717)	1,553	286

During 2003, £nil million (2002: £2 million, 2001: £16 million), was received by Reuters Group PLC on the issue of shares in respect of the exercise of options awarded under various share option plans.

Cumulative translation losses at 31 December 2003 totalled £163 million (2002: cumulative losses £50 million, 2001: cumulative gains £45 million).

In 1998 a court-approved capital reorganisation took place. In exchange for every 15 ordinary shares in Reuters Holdings PLC, shareholders received pro-rata 13 ordinary shares in Reuters Group PLC plus £13.60 in cash. The difference between the proforma nominal value of shares in issue of Reuters Group PLC immediately prior to the reorganisation and the previously reported capital and reserves of Reuters Holdings PLC, excluding the profit and loss reserve, represents the merger difference which has since been reflected in the Other reserve. Under UK GAAP, no restatement of earnings per share was deemed necessary as the cash payment was considered to be equivalent to a repurchase of shares at market value. Under US GAAP, the transaction was deemed a share consolidation combined with a special dividend. Accordingly, earnings per share and per ADS and dividends per share and per ADS were retrospectively restated in Reuters Group's US GAAP disclosures.

27 Share capital

	2003 £m	2002 £m	2001 £m
Authorised			
One Founders Share of £1	–	–	–
2,100 million ordinary shares of 25 pence each	525	525	525
	525	525	525
Allotted, called-up and fully paid			
One Founders Share of £1	–	–	–
Ordinary shares of 25 pence each	358	358	358
	358	358	358
Number of ordinary shares of 25 pence each (millions)	1,432.5	1,432.5	1,432.1
Shares allotted during the year in millions			
	2003	2002	2001
17,650 shares in Reuters Group PLC were issued for cash under employee share schemes at prices ranging from 90p to 135p per share	–	0.4	3.0

The rights attaching to the Founders Share are set out on page 85.

28 Employee share option plans

Reuters Group PLC operates share plans for the benefit of employees as explained in the remuneration report. Since the flotation of Reuters Holdings PLC in 1984, 104 million shares have been issued under these plans.

Activity relating to share options to subscribe for new shares for the three years ended 31 December 2003 was as follows:

	Save-as-you-earn plans	Discretionary employee and executive plans	Plan 2000	Total	Weighted average exercise price £
Ordinary shares under option in millions (including ADSs):					
31 December 2000	11.2	0.4	20.9	32.5	5.99
Granted	2.3	7.4	–	9.7	8.56
Exercised	(2.0)	(0.1)	(0.9)	(3.0)	5.10
Expired, cancelled or lapsed	(1.1)	–	–	(1.1)	7.98
31 December 2001	10.4	7.7	20.0	38.1	6.55
Granted	7.2	31.8	–	39.0	4.04
Exercised	(0.2)	–	(0.2)	(0.4)	5.39
Expired, cancelled or lapsed	(6.7)	(0.9)	(3.1)	(10.7)	6.76
31 December 2002	10.7	38.6	16.7	66.0	5.10
Granted	28.0	25.8	–	53.8	1.53
Exercised	–	–	–	–	–
Expired, cancelled or lapsed	(8.5)	(8.0)	(2.6)	(19.1)	4.77
31 December 2003	30.2	56.4	14.1	100.7	3.24
Number of participants at 31 December 2003	8,170	7,378	7,046		

The following table summarises information relating to the number of shares under option and those which were exercisable at 31 December 2003.

	Total shares under option (million)	Weighted average period remaining to full vesting (months)	Weighted average exercise price	Options exercisable at 31 December 2003 (million)	Exercisable weighted average exercise price
Range of exercise prices					
Ordinary shares (£)					
0.01-2.00	34.6	25	£1.05	–	–
2.01-5.00	30.5	23	£2.74	5.4	£2.71
5.01-7.00	23.3	14	£5.57	16.0	£5.57

7.01-9.00	7.7	11	£8.53	4.2	£8.48
9.01-11.00	0.6	12	£9.75	0.2	£9.71
ADs (US\$)					
10.01-30.00	4.0	27	US\$11.03	-	-
	100.7			25.8	

Notes on the consolidated balance sheet continued

28 Employee share option plans continued

In August 1990 and January 1994, Reuters established ESOTs with the power to acquire shares in the open market. The trustee of both trusts is an offshore independent professional trustee. Shares purchased by the trusts, which are included within fixed asset investments on the consolidated balance sheet, will be used either to meet obligations under the company's restricted share plans described in the remuneration report on pages 18-19 or to satisfy the exercise of options granted, or to be granted, under other employee share option plans. Alternatively, new shares may be issued to satisfy these option obligations.

SAYE options are issued at a 20% discount to the market price at the time of granting the options. This does not give rise to a charge against profit as Reuters has taken advantage of the exemption allowed under UITF 17 'Employee share schemes'.

29 Related party transactions

During the year, Reuters Group carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. Details of these transactions are shown below:

	31 December 2002 £m	Services provided/ (received) £m	Amounts (collected)/ paid £m	31 December 2003 £m
Amounts receivable				
Radianz	70	82	(137)	15
Factiva	9	47	(52)	4
Other	2	3	(3)	2
	81	132	(192)	21
Amounts payable				
Radianz	(73)	(304)	355	(22)
Factiva	(8)	(7)	15	-
Other	(5)	(47)	46	(6)
	(86)	(358)	416	(28)

The above amounts relate to the rendering or receiving of services between both parties, including agency arrangements and licence agreements. The other amounts principally relate to the Reuters Building at 3 Times Square, together with transactions with TSI.

In addition to the above amounts Reuters has a promissory note payable to Factiva with a balance of £1 million outstanding at the year end (2002: £4 million).

Reuters also holds an interest bearing loan repayable to Factiva of £5 million (2002: £7 million). The convertible loan note due from Icor was increased to £8 million at the beginning of 2003, and at the balance sheet date was fully written down based on directors' valuation.

30 Operating leases and other financial commitments

Minimum payments for non-cancellable operating leases for terms in excess of one year from 31 December are as follows:

	2003 £m	2002 £m	2001 £m
Year ended 31 December			
2002	-	-	102
2003	-	91	90
2004	97	81	77
2005	83	68	64
2006	73	62	57
2007	63	57	50
2008	54	47	46
Thereafter	327	329	289
Total minimum lease payments	697	735	775

30 Operating leases and other financial commitments continued

At 31 December the Group had commitments to make payments during the following year under non-cancellable operating leases as follows:

	Land and buildings			Other		
	2003 £m	2002 £m	2001 £m	2003 £m	2002 £m	2001 £m
Operating leases which expire:						
Within one year	7	11	11	2	2	4
In the second to fifth years	43	37	48	6	4	5
Over five years	48	50	49	–	–	–

Other financial commitments

At 31 December 2003, Reuters had a minimum commitment of £73 million (2002: £152 million, 2001: £252 million) under a service level agreement with Savvis for the provision of a network delivery mechanism for the Bridge assets acquired during 2001. This commitment expires in September 2006.

At 31 December 2003, under a licence, distribution and maintenance agreement with TSI, Reuters had a minimum commitment of £14 million (2002: £17 million, 2001: £28 million) due to expire in February 2005.

31 Acquisitions and disposals

On 28 March 2003, Reuters acquired a further 94% of Multex to take the Group's holding to 100%.

	Book value £m	Fair value adjustments £m	Accounting policy adjustments £m	Total £m
Fixed assets:				
Intangible	9	15	–	24
Tangible	19	(10)	(2)	7
Investments	3	(2)	–	1
Current assets:				
Cash ¹	32	–	–	32
Other	19	–	(3)	16
Current liabilities	(16)	2	–	(14)
Long-term liabilities	(3)	–	–	(3)
Net assets acquired	63	5	(5)	63
Cash consideration				(155)
Cost of initial investment				(4)
Consideration satisfied by the transfer of shares				(3)
Total consideration				(162)
Goodwill				99

¹Cash acquired includes Multex's share of the cash balances of Multex Investor Europe and Multex Investor Japan at 28 March 2003.

The fair value adjustments in respect of intangible fixed assets are due to the recognition of £15 million of developed product technology and content, which have been independently valued. The fair value adjustments to tangible fixed assets, investments, current assets and current liabilities are provisional, based on management's best estimates, and will be finalised in the 2004 financial statements.

Of the total consideration, £3 million will be satisfied by the transfer of shares from Reuters ESOT and will be settled during 2004.

Included within the Group profit and loss account are revenues of £32 million in respect of the Multex post-acquisition results.

Prior to becoming subsidiary undertakings, Multex Investor Europe and Multex Investor Japan were joint ventures and accounted for as such. In accordance with FRS 2 'Accounting for Subsidiary Undertakings', and in order to give a true and fair view, purchased goodwill has been calculated as the sum of the goodwill arising on the initial and subsequent purchase of shares in these entities, being the difference at the date of each purchase between the fair value of the consideration given and the fair value of the identifiable assets and liabilities attributable to the interest purchased. This represents a departure from the statutory method, under which goodwill is calculated as the difference between the fair value of the consideration and net assets acquired on the date that they became subsidiary undertakings. The statutory method would not give a true and fair view because it would result in the Group's share of these entities' retained reserves, during the period that they were joint ventures being recharacterised as goodwill. The effect of this departure is to decrease retained profits by £24 million, and to decrease purchased goodwill by £24 million.

Disposals

In 2003, Reuters disposed of a number of small wholly owned subsidiary undertakings including Wall Street On Demand and Agence de Presse Médicale. These disposals resulted in a net profit of £3 million.

During the year, Reuters disposed of certain equity investments including its 20% holding in Datamonitor resulting in a gain of £11 million. The exercise of stock options during 2003 gave rise to a deemed partial disposal of 1.0% of Reuters equity interest in TSI. As a result, Reuters recorded a loss on disposal of fixed asset investments of £1 million.

Gains on the disposal of fixed asset investments include £4 million arising from Reuters investment in Informa and £1 million for Reuters share of investments disposed of by associates.

Notes on the consolidated balance sheet continued

31 Acquisitions and disposals continued

Realised net gains, all of which were recorded in the profit and loss account, were:

Reconciliation of gains	£m
On disposal of subsidiary undertaking	3
On disposal of associates and joint ventures	10
On disposal of fixed asset investments	6
Recorded in the profit and loss account	19

32 Subsidiary undertakings, joint ventures and associates

The principal subsidiary undertakings, joint ventures and associates at 31 December 2003, all of which are included in the consolidated financial statements, are shown below. The shares in Reuters Holdings Limited and Reuters Finance PLC are held by Reuters Group PLC. The shares in the other companies are held by Reuters Holdings Limited, or its wholly-owned subsidiaries.

Subsidiary undertakings

	Country of incorporation	Principal area of operation	Percentage of equity shares held
Bridge Trading Company	USA	USA	100
Instinet Group Incorporated	USA	USA	63
Reuters AG	Germany	Germany	100
Reuters America LLC	USA	USA	100
Reuters Australia Pty Limited	Australia	Australia	100
Reuters Canada Limited	Canada	Canada/USA	100
Reuters España SA	Spain	Spain	100
Reuters Finance PLC*	UK	UK	100
Reuters Holdings Limited*	UK	UK	100
Reuters Hong Kong Limited	Cook Islands	Hong Kong	100
Reuters Italia SpA	Italy	Italy	100
Reuters Japan Kabushiki Kaisha	Japan	Japan	100
Reuters Limited	UK	Worldwide	100
Reuters Middle East Limited	Cook Islands	Middle East	100
Reuters Nederland BV*	Netherlands	Netherlands	100
Reuters SA	Switzerland	Continental Europe	100
Reuters Services SA	France	France	100
Reuters Singapore Pte Limited	Singapore	Singapore	100
Reuters Transaction Services Limited	UK	Worldwide	100

* Denotes investment companies. All others are operating companies.

Joint ventures and associates

	Country of incorporation	Principal area of operation	Percentage of equity shares held
TIBCO Software Inc. (see note 33)	USA	Worldwide	48
Factiva LLC (joint venture)	USA	Worldwide	50
Radianz Limited (joint venture)	UK	Worldwide	51

On a diluted basis, after deducting shares under option, Reuters Group's interest in the equity of TSI was reduced to 39%. See page 8 for the nature of the business of the above joint ventures and associates.

The financial years for all the above undertakings end on 31 December except for TSI which has a 30 November year end.

33 Post balance sheet events

On 23 January 2004, Reuters entered into a sale and leaseback arrangement in respect of its freehold data centre in Hazelwood, Missouri. The lease term is 20 years. Proceeds from the sale were £23 million.

On 28 January 2004, Reuters sold the freeholds of its current headquarters at 85 Fleet Street and the St. Brides building for approximately £30 million. 85 Fleet Street will be the subject of a short leaseback until Reuters moves to leasehold premises at Canary Wharf in 2005. A charge of £17 million was booked against profits in 2003 in anticipation of losses arising from the disposal of these two properties.

On 3 February 2004, Reuters concluded the sale of 86 million shares in TSI. Total proceeds were approximately £311 million and the net profit on disposal was approximately £155 million. Following the sale, Reuters holding was 17 million shares or 8.8% of TSI's common stock and as a result Reuters will no longer account for TSI as an associate.

On 19 February 2004, Reuters sold its 98% holding in Tower Group Holding Corp for a profit of approximately £6 million.

No tax is expected to arise on any of the above transactions.

Balance sheet of Reuters Group PLC

at 31 December

	Notes	2003 £m	2002 £m	2001 £m
Fixed asset investment	34	5,246	2,672	8,681
Current assets				
Amounts owed by Group undertakings		–	1,861	1,868
Current liabilities				
Amounts owed to Group undertakings		(2,499)	(1,227)	(866)
Other borrowings		(139)	(411)	(604)
Proposed dividends		(86)	(86)	(86)
Net current (liabilities)/assets		(2,724)	137	312
Total assets less current liabilities		2,522	2,809	8,993
Other borrowings due after more than one year		(228)	(352)	(337)
Net assets		2,294	2,457	8,656
Capital and reserves	35			
Called-up share capital		358	358	358
Capital redemption reserve		1	1	1
Share premium account		91	91	89
Merger reserve		–	–	6,788
Other reserves		699	699	–
Profit and loss account reserve		1,145	1,308	1,420
Capital employed		2,294	2,457	8,656
(Loss)/profit attributable to ordinary shareholders		(23)	27	34

This balance sheet was approved by the directors on 3 March 2004.

Tom Glocer
Chief Executive

David Grigson
Finance Director

Advantage has been taken of the provisions of Section 230(3) of the Companies Act 1985 not to present a separate profit and loss account for Reuters Group PLC.

Notes on the balance sheet of Reuters Group PLC

34 Fixed asset investment

The investment represents the shareholding of Reuters Group PLC in Reuters Holdings Limited.

35 Capital and reserves

	Called up share capital £m	Capital redemption reserve £m	Share premium account £m	Other reserves £m	Profit and loss account reserve £m	Total £m
31 December 2002	358	1	91	699	1,308	2,457
Loss for the year	–	–	–	–	(163)	(163)
31 December 2003	358	1	91	699	1,145	2,294

Following the approval of a High Court Scheme of Arrangement, the majority of the issued share capital of Reuters Holdings PLC was acquired

by Reuters Group PLC in February 1998.

The loss for the year mainly represents dividends paid to shareholders.

Accounting policies

Accounting basis

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The acquisition of the remaining equity interests in Multex Investor Europe and Multex Investor Japan in 2003 have been accounted for in accordance with FRS 2 'Accounting for Subsidiary Undertakings' which represents a departure from the requirements of the Companies Act 1985 (see note 31).

Basis of consolidation

The consolidated financial statements include:

- a The financial statements of Reuters Group PLC and its subsidiaries to 31 December. The results of subsidiaries are included for the period during which they are a member of the Group.
- b Reuters Group's share of the post-acquisition results of associated undertakings and joint ventures. Investments in associated undertakings and joint ventures are included at Reuters share of the net assets and unamortised goodwill at the dates of acquisition plus the Group's share of post-acquisition reserves.

Foreign currency translation

On consolidation, the profit and loss accounts and cash flow statements of entities with non-sterling functional currencies are translated into sterling at the average rates for the year. Exchange differences arising on consolidation as a result of the translation of the profit and loss account from the average rate to the year-end rate are accounted for through reserves.

Exchange differences that arise as a consequence of trading transactions and the translation of monetary assets and liabilities are taken to the profit and loss account. Foreign currency investments (including subsidiary undertakings, joint ventures and associates) are translated at the 31 December rate, and the associated exchange differences are taken directly to reserves. Exchange differences attributable to foreign currency borrowings used to finance the Group's foreign currency investments are taken directly to reserves.

Treasury

Reuters Group receives revenue and incurs expenses in more than 70 currencies and uses financial instruments to hedge a portion of its net cash flow and operating profit.

The derivative contracts are treated from inception as an economic hedge of the underlying financial instrument, with matching accounting treatment and cash flows. The derivative contracts have high correlation with the specific underlying risks being hedged both at inception and throughout the hedge period.

Reuters uses financial instruments to hedge a portion of its interest exposure. Profits and losses on financial instruments are reported as part of profit for the period to which they relate.

Financial instruments hedging the risk on foreign currency assets are revalued at the balance sheet date and the resulting gain or loss offset against that arising from the translation of the underlying asset into sterling.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Revenue

Revenue represents the turnover, net of discounts, derived from services provided to subscribers and sales of products applicable to the year.

Revenue from sales of subscription-based real-time and historical information services are recognised rateably over the term of the subscription.

Revenue from contracts for the outright sale of systems based product solutions, which include the sale of fully developed software licences, is recognised at the time of client acceptance. Short-term contracts are accounted for on a completed contract basis. Long-term contracts are accounted for in accordance with the contractual terms either on a percentage of completion basis or on a time and materials as incurred basis.

Revenue from associated maintenance and support services is recognised rateably over the term of the maintenance contract. Where contracts allow Reuters to recharge costs from communications suppliers and exchanges onwards to subscribers, this income is recognised as revenue.

Transaction products usage revenue is accounted for on a trade date basis.

Securities transactions

Securities transactions between Instinet counterparties which pass through Instinet and in its role as agency brokers, are recorded on a settlement date basis and, therefore, are only reflected in the balance sheet if there is a failure to settle. Revenues and related expenses arising from such securities transactions are accrued from the date of the transaction.

Development

Development expenditure is charged against profit in the year in which it is incurred.

Pensions and similar obligations

The expected costs of defined benefit pensions and post-retirement medical benefits are charged against profit so as to spread the cost over the service lives of the employees affected.

For defined contribution schemes the charge to the profit and loss account represents contributions payable by Reuters Group during the period.

Restricted share and Instinet long-term incentive plans

Costs of the restricted share and Instinet long-term incentive plans are charged to profit over the vesting period of the awards.

Tangible fixed assets

Depreciation is calculated on a straight line basis so as to write down the assets to their residual values over their expected useful lives:

Freehold land	Not depreciated
Freehold buildings	Normally 50 years
Leasehold property	Over the term of the lease
Computer systems equipment, office equipment and motor vehicles	2 to 5 years

Stocks and contract work in progress

Stocks and contract work in progress are valued at the lower of cost and net realisable value less progress payments received and receivable from clients. Progress payments in excess of the value of work carried out are included within creditors.

Cost is calculated on a first in first out basis by reference to the invoiced value of supplies and attributable costs of bringing stocks to their present location and condition.

Net realisable value is the estimated market value less selling costs.

Short-term investments

Government securities are stated in the balance sheet at the lower of cost plus accrued capital appreciation and market value. Income from these securities and any adjustment for changes in their market value during the year is reported as part of profit.

Movements in short-term investments are reported under the heading of management of liquid resources in the cash flow statement.

Debt issuance

Medium-term notes and commercial paper are stated at the amount of the net proceeds plus accrued interest or any discount or premium. Discounts or premia to the nominal value are amortised over the term of the issue. Costs associated with debt issuance are charged against profit over the life of the instrument.

Foreign currency swap agreements and forward contracts are used to convert non-sterling debt into sterling. Interest rate swaps, swaptions and forward rate agreements are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to interest expense over the period of the contract.

Leasing

Operating lease rentals are charged against profit on a straight line basis over the period of the lease.

Operating lease incentives received are initially deferred and subsequently recognised over the minimum contract period.

Deferred taxation

Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that a transaction or an event that has occurred at the balance sheet date gives rise to an obligation to pay more tax in the future or a right to pay less tax in the future.

However, deferred tax assets are only recognised to the extent that, based on all available evidence, it is more likely than not that suitable taxable profits will arise from which the reversal of the asset can be deducted.

Goodwill and other intangible assets

Goodwill is calculated as the difference between the fair value of the consideration paid and the fair value of the Group's share of the net assets at the date of acquisition. No value is attributed to internally generated intangible assets.

Purchased goodwill and other intangibles are capitalised and amortised through the profit and loss account on a straight line basis over their estimated useful economic lives which are up to 20 years depending on the nature of the business acquired. Impairment reviews are carried out at the end of the first financial year after acquisition and where there is any indication of impairment.

Impairment is measured by comparing the carrying value of the asset with the higher of the net realisable value and the value in use. Any impairment charges are recognised in the profit and loss account for the period in which they arise.

Interest in shares of Reuters Group PLC

Shares held by the employee share ownership trusts are recorded in the balance sheet within fixed asset investments at cost including expenses less amounts written off.

Fixed asset investments

Fixed asset investments are held at cost net of permanent diminution in values as assessed by the directors.

Summary of differences between UK and US

Generally Accepted Accounting Principles (GAAP)

Accounting Principles

These consolidated financial statements have been prepared in accordance with UK GAAP, which differ in certain significant respects from US GAAP. A description of the relevant accounting principles which differ materially is given below.

a Revenue recognition

Under UK GAAP, revenue from contracts for the outright sale of systems based product solutions, which include the sale of fully developed software licences, is recognised at the time of client acceptance. Under US GAAP, specific rules establish the criteria that must be met for revenue recognition. Under these rules, certain contracts with multiple elements require an amount of revenue to be deferred until all criteria are met for revenue to be recognised.

The UK to US GAAP adjustment in the current year arises from the release of revenue deferred in prior years. No revenue has been deferred for the purposes of US GAAP.

Under UK GAAP, soft dollar revenues are netted against operating costs in the profit and loss account. Under US GAAP, soft dollar revenues are presented gross in the revenues and operating costs (2003: £169 million, 2002: £192 million, 2001: £168 million). There is no difference in net income as a result of the classification.

Under UK GAAP, net interest income is classified below operating activities in the profit and loss account. Under US GAAP, interest income arising on cash provided as security on stock borrowing transactions related to Instinet's clearing business, interest on fixed income securities and on cash balances is recorded in revenue (2003: £6 million, 2002: £13 million, 2001: £14 million).

b Software and website development costs

Under UK GAAP, costs of developing computer software products and websites are usually expensed in the year in which they are incurred. Under US GAAP, the costs of developing computer software products subsequent to establishing technical feasibility are capitalised. Additionally, certain costs relating to website development incurred subsequent to the planning stage are also capitalised. The amortisation of the capitalised costs is based on the estimated future revenues or remaining estimated useful economic lives of the products involved.

c Joint ventures and associates

Under UK GAAP, the difference between the book value and fair value of the assets contributed to joint ventures and associates are recognised in the statement of total recognised gains and losses. Under US GAAP, the difference is released to the income statement over the anticipated life of the assets contributed to the venture.

Under UK GAAP, stock compensation expenses are not required to be recorded in respect of certain joint ventures and associates stock option plans. Under US GAAP, the Group's share of the results of joint ventures and associates has been adjusted to reflect stock compensation charges where appropriate.

Under US GAAP, the Group's share of the results of joint ventures and associates is adjusted to reflect the non-amortisation of goodwill since 1 January 2002.

d Gains on deemed disposal of subsidiary undertakings and associates

Under UK GAAP, gains on the deemed partial disposal of subsidiary undertakings and associates involving non-qualifying consideration are recorded in the statement of total recognised gains and losses. Under US GAAP, these gains are recorded in the income statement and are calculated using asset and consideration values as determined under US GAAP.

e Loss on disposal of subsidiary undertakings

Under UK GAAP, goodwill is amortised on a systematic basis whereas under US GAAP goodwill is not amortised but tested for impairment on an annual basis. Under US GAAP, therefore, the carrying value of goodwill can be higher, resulting in greater losses on disposal of subsidiary undertakings.

f Loss/gain on sale of fixed asset investments

Under UK GAAP, gains on the sale of fixed asset investments for non-cash consideration are recorded in the statement of total recognised gains and losses. Under US GAAP, these gains are recorded in the income statement.

Under UK GAAP, fixed asset investments are held in the balance sheet at cost net of permanent diminution in value as assessed by the directors. Under US GAAP, fixed asset investments which are available for sale are stated at fair value with unrealised gains or losses included in the statement of comprehensive income. Under US GAAP, broker-dealer fixed asset investments are stated at fair value with unrealised gains or loss included in the income statement.

g Goodwill and other intangibles

Under UK GAAP, goodwill and other intangible assets are amortised. Under US GAAP, prior to 1 July 2001, goodwill was amortised over its estimated useful life consistent with UK GAAP. In 2002, Reuters adopted the provisions of Financial Accounting Standard No. 142 (FAS 142), 'Goodwill and Other Intangible Assets', and as a result goodwill is no longer subject to amortisation under US GAAP. In addition, the non-amortisation of goodwill provisions of FAS 142 were effective immediately for goodwill arising on all acquisitions completed after 30 June 2001.

Under UK GAAP, goodwill impairment reviews are carried out at the end of the first financial year after acquisition and where there is any indication of impairment. Impairment is measured by comparing the carrying value of goodwill with the higher of the net realisable value and the value in use.

Under US GAAP, the Group performed a transitional impairment test effective 1 January 2002, as required by FAS 142. Goodwill impairment reviews are also conducted whenever the Group considers there to be an indication of impairment. Beginning in 2002, Reuters also completes an annual goodwill impairment test, as required by FAS 142.

Under US GAAP, where the carrying value of a reporting unit exceeds its fair value then a goodwill impairment is recorded based on the excess of the carrying value of goodwill in a reporting unit over the implied fair value of that goodwill.

Under UK GAAP, the fair value of quoted securities issued to effect a business combination is measured at the market price at the date of closing the acquisition. Under US GAAP, the fair value of the securities issued is determined using the market price for a reasonable period before and after the date that the terms of the acquisition are agreed to and announced.

Under UK GAAP, contingent consideration arising as part of a business combination is included within goodwill and recorded as a liability at the time of the acquisition. Under US GAAP, contingent consideration is recorded as an adjustment to goodwill at the time it is realised.

Both UK GAAP and US GAAP require purchase consideration in respect of subsidiaries acquired to be allocated on the basis of fair values to the various net assets of the acquiree at the date of acquisition. The excess of purchase consideration over the fair value assigned to the net assets is treated as goodwill. Both UK GAAP and US GAAP require separately identifiable intangible assets to be held separately from goodwill. Under US GAAP a different definition of intangible assets applies, therefore additional intangible assets may be identified under US GAAP.



Accounting Principles continued

h Employee costs

Reuters grants options under save-as-you-earn (SAYE) plans at a 20% discount. Under UK GAAP, the share issues are recorded at their discounted price when the options are exercised. Under US GAAP, the discount is regarded as employee compensation and is accrued over the vesting period of the grants.

Under US GAAP, if a SAYE scheme is offered at a lower price than those offered previously and participants are able to transfer out of an existing scheme into the new scheme, variable accounting rules apply. Under these rules, a compensation charge is recorded on issue of the option for the intrinsic value of the award at the grant date, any subsequent movement in the share value results in a re-measuring of the compensation charge, which continues until the option is exercised. Variable plan accounting applies to all options in existing higher priced schemes and also to options in lower priced schemes to the extent that those options have been transferred from a higher priced scheme.

Under UK GAAP, no compensation charge is recorded when the vesting terms of an option award are accelerated, or when an option plan is amended with substantially similar terms as the old plan. Under US GAAP, additional compensation cost is recognised when the vesting of an option has been accelerated and those options would otherwise have been forfeited unvested. Additional compensation cost is also recognised where a new measurement date is established following the amendment of a stock option plan where the exercise price is less than the market value of the underlying shares on the new measurement date.

Under UK GAAP, the liability for national insurance on stock options is accrued based on the intrinsic value of the options on the date of grant and adjusted for subsequent changes in the market value of the underlying shares. Under US GAAP, this expense is recorded upon exercise of the stock options.

Under UK GAAP, the compensation charge relating to certain stock based long-term incentive plans is based on the original cost of shares held in the ESOT less impairments. Under US GAAP, the compensation charge is based on the value of the awards at each balance sheet date.

Under both UK GAAP and US GAAP, the total compensation charge is adjusted to take account of the expected outcome of the performance conditions and the compensation charge is spread over the service period.

Under UK GAAP, the expected costs under defined benefit pension and post-retirement arrangements are spread over the service lives of employees entitled to those benefits. Variations from regular cost are spread on a straight line basis over the expected average remaining service lives of relevant current employees. Under US GAAP, the annual pension cost comprises the estimated cost of benefits accruing in the period adjusted for the amortisation of the surplus arising when FAS 87 'Employers' Accounting for Pensions' was adopted. The assumptions used to determine the annual pension cost under US GAAP are the same as those used to determine the FRS 17 cost as set out in note 23 on page 63.

Under UK GAAP, an accrual is made to reflect the cost of employees' unused vacation allowances only to the extent the Group is liable to settle the obligation for cash. Under US GAAP, an accrual is made for the cost of all unused vacation allowances at the point of entitlement, regardless of whether a cash payment will be required.

Under UK GAAP, the transfer of employees that held unvested stock option awards to a joint venture does not give rise to a charge against profit. Under US GAAP, the stock awards are considered to be held by non-employees and accordingly a stock option expense relating to the fair value of the unvested awards is included in 'share of operating loss in joint ventures' over the remaining vesting period.

i Restructuring

Under UK GAAP, Reuters recognises provisions for employee severance charges once the Group has a constructive obligation to incur the costs. A constructive obligation is considered to exist when a detailed formal plan is in place and a valid expectation has been raised in those affected. US GAAP requires that employee severance costs that are not one-time termination charges be recognised when it is probable that these costs will be incurred and the amount is capable of being estimated.

Under UK GAAP, Reuters recognises provisions for costs associated with the exit of a property once the intention to exit has been announced. Under US GAAP, charges for costs associated with the exit of properties are recognised upon vacation of the property or legal termination of the lease contract.

j Derivatives

Under US GAAP, the Group adopted FAS 133, 'Accounting for Derivative Instruments and Hedging Activities' as amended by FAS 138, on 1 January 2001. FAS 133 introduced new rules in respect of hedge accounting and the recognition of movements in fair value through the income statement. As a result of the adoption, all derivatives and embedded derivative instruments, whether designated in hedging relationships or not, are carried on the balance sheet at fair value.

The company has not designated any of its derivative instruments as qualifying hedge instruments under FAS 133. Accordingly, changes in the fair value of derivative and embedded derivative instruments have been included within current earnings under US GAAP.

Under current UK GAAP, the company has continued to apply hedge accounting and is not required to record its derivative instruments or any of its embedded derivative instruments on the balance sheet at fair value.

k Shares held by employee share ownership trusts (ESOTs)

Under UK GAAP, shares held by the ESOTs are recorded as fixed asset investments at cost less amounts written off and impairments. Under US GAAP, those held by the ESOT are regarded as treasury stock and recorded at cost as a deduction from shareholders' equity.

l Interest

Under UK GAAP, liabilities recorded in respect of contingent consideration arising as part of business combinations are discounted to net present value. The discount is unwound through the profit and loss account over the life of the liability. Under US GAAP, no liability is recorded in respect of contingent consideration, therefore the interest charge is adjusted as appropriate.

m Taxation

Under UK GAAP, FRS 19, 'Deferred Tax', requires deferred taxes to be accounted for on all timing differences. Deferred tax assets are to be recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Assets not recognised are shown by way of a valuation allowance in the balance sheet. Under US GAAP, deferred taxes are accounted for in accordance with FAS 109, 'Accounting for Income Taxes' on all timing differences and a valuation allowance is established in respect of those deferred tax assets where it is more likely than not that some portion will remain unrealised.

This has not given rise to a significant adjustment in the UK to US GAAP reconciliation. The adjustment is primarily the result of the deferred impact of the other US GAAP adjustments made in the reconciliation.

n Dividends

Under UK GAAP, dividends are provided for in the year in respect of which they are declared or proposed. Under US GAAP, dividends are recognised only in the period in which they are formally declared.

The effects of these differing accounting principles are shown in notes 36-39.

In 2003, under US GAAP, Reuters adopted the provisions of Financial Accounting Standard No. 146 (FAS 146), 'Accounting for Costs Associated with Exit or Disposal Activities'. FAS 146 has been applied in respect of employee severance provisions and property cost provisions.

Summary of differences between UK and US

Generally Accepted Accounting Principles (GAAP) continued

Cash flow statement

The cash flow statement set out on pages 49-54 has been prepared in conformity with UK FRS 1 (Revised) Cash Flow Statements. The principal differences between this statement and cash flow statements presented in accordance with FAS 95 are as follows:

1 Under UK GAAP, net cash flow from operating activities is determined before considering cash outflows from (a) returns on investments and servicing of finance (2003: £28 million, 2002: £64 million, 2001: £7 million) and (b) dividends received from associates (2003: £3 million, 2002: £2 million, 2001: £2 million), and (c) taxes paid (2003: £33 million, 2002: £73 million, 2001: £173 million). Under US GAAP, net cash flow from operating activities is determined after these items.

2 Under UK GAAP capital expenditure, financial investments and acquisitions (2003: £10 million, 2002: £6 million, 2001: £89 million) are classified separately while under US GAAP, they are classified as investing activities.

Under UK GAAP, movements in short-term investments (2003: £99 million increase, 2002: £378 million decrease, 2001: £448 million increase) are not included in cash but classified as management of liquid resources. Under US GAAP, short-term investments with maturity of three months or less at the date of acquisition (2003: £37 million decrease, 2002: £234 million decrease, 2001: £410 million increase), are included in cash and cash equivalents. Only short-term investments with a maturity of over three months (2003: £136 million increase, 2002: £144 million decrease, 2001: £38 million increase), are classified as investing activity.

3 Under UK GAAP, dividends paid (2003: £140 million, 2002: £139 million, 2001: £227 million) are classified separately while under US GAAP, dividends paid are classified as financing activities. Under UK GAAP, the purchase of Reuters shares by the ESOTs (2003: £nil, 2002: £65 million, 2001: £48 million) is classified as investing activities whereas under US GAAP, this is classified as financing activities.

Under UK GAAP, cash outflows relating to the movement in bank overdrafts (2003: £11 million, 2002: £63 million, 2001: £16 million) are classified as movements in cash while under US GAAP, they are classified as a financing activity.

Set out below is a summary consolidated cash flow statement under US GAAP:

	Notes	2003 £m	2002 £m	2001 £m
Net cash inflow from operating activities	1	371	247	709
Net cash outflow from investing activities	2	(352)	(8)	(402)
Net cash (outflow)/inflow from financing activities	3	(142)	(450)	123
Net (decrease)/increase in cash and cash equivalents under US GAAP		(123)	(211)	430
Net (decrease)/increase in cash under UK GAAP		(97)	86	36

Notes on summary of differences between UK and US

Generally Accepted Accounting Principles (GAAP)

36 Adjustments to net income

	2003 £m	2002 £m	2001 £m
Profit/(loss) attributable to ordinary shareholders in accordance with UK GAAP	43	(404)	46
US GAAP adjustments			
a. Software revenue recognition	11	3	(8)
b. Amortisation of software and website development costs	–	(1)	(5)
c. Joint ventures and associates	24	18	22
d. Gains on deemed disposal of subsidiary undertakings and associates	–	104	11
e. Loss on disposal of subsidiary undertakings	(2)	–	–
f. (Loss)/gain on sale of fixed asset investments	(1)	–	29
g. Goodwill and other intangibles	52	(34)	2
h. Employee costs	(28)	(1)	(11)
i. Restructuring	(150)	–	–
j. Derivative instruments	(33)	(28)	4
k. Impairment of ESOT shares	3	147	–
l. Interest	1	–	–
m. Taxation			
application of FAS 109	–	–	4
tax effect of US GAAP adjustments	39	42	(5)
Minority interest in US GAAP adjustments	3	38	(2)
(Loss)/income before cumulative effect of change in accounting principle	(38)	(116)	87
Cumulative effect of change in accounting principle for FAS 142	–	(13)	–
Cumulative effect of change in accounting principle for FAS 133	–	–	7
Tax effect of change in accounting principle	–	–	(2)
Minority interest effect of change in accounting principle	–	2	–
Net (loss)/income attributable to ordinary shareholders in accordance with US GAAP	(38)	(127)	92

	2003 pence	2002 pence	2001 pence
Earnings and dividends			
Before accounting change			
Basic earnings per ADS in accordance with US GAAP	(16.3)	(49.5)	37.5
Diluted earnings per ADS in accordance with US GAAP	(16.3)	(49.5)	36.8
After accounting change			
Basic earnings per ADS in accordance with US GAAP	(16.3)	(54.3)	39.5
Diluted earnings per ADS in accordance with US GAAP	(16.3)	(54.3)	38.7
Dividend paid per ADS (including UK tax credit for 2001 and 2002)	60.0	66.7	108.0
Weighted average number of shares used in basic EPS calculation (millions)	1,396	1,395	1,404
Dilutive shares	18	–	28
Used in diluted EPS calculation	1,414	1,395	1,432

37 Adjustments to shareholders' equity

	2003 £m	2002 £m	2001 £m
Capital employed before minority interest in accordance with UK GAAP	286	496	1,109
US GAAP adjustments:			
a. Software revenue recognition	–	(11)	(14)
b. Capitalised software development costs, net of amortisation	–	–	1
c. Joint ventures and associates	(13)	(37)	(64)
f. Fixed asset investments	20	19	50
g. Goodwill and other intangibles	120	71	2
g. Contingent consideration	24	29	11

h. Employee costs	(44)	(39)	(63)
i. Restructuring	(150)	–	–
j. Derivatives	(47)	(14)	14
k. Shares held by ESOTs	(74)	(68)	(153)
m. Taxation	44	6	(18)
n. Dividends	86	86	86
Minority interest in US GAAP adjustments	(7)	(10)	(2)
Shareholders' equity in accordance with US GAAP	245	528	959

Notes on summary of differences between UK and US

Generally Accepted Accounting Principles (GAAP) continued

38 Statement of comprehensive income

	2003 £m	2002 £m	2001 £m
Net (loss)/income in accordance with US GAAP	(38)	(127)	92
Other comprehensive (loss)/income, net of tax:			
Unrealised gains on certain fixed asset investments:			
arising during year	2	(21)	(109)
less amounts taken to net income, net of losses	–	3	–
Foreign currency translation differences	(119)	(95)	26
Derivative instruments:			
cumulative effect of change in accounting principle for FAS 133	–	–	(2)
less amounts taken to net income	–	–	2
Adjustments to reflect minimum pension liability	4	(4)	–
Comprehensive (loss)/income in accordance with US GAAP	(151)	(244)	9

39 Summarised balance sheet (US GAAP basis)

	2003 £m	2002 £m	2001 £m
Assets			
Fixed tangible assets	823	1,012	1,299
Current assets	1,531	1,850	2,462
Other assets	151	159	113
Goodwill and other intangibles	495	489	499
Total assets	3,000	3,510	4,373
Liabilities and shareholders' equity			
Current liabilities	1,985	2,167	2,628
Long-term liabilities	568	552	572
Deferred taxes	–	21	48
Minority interest	202	242	166
Shareholders' equity before deductions	490	781	1,163
Shares held by employee share ownership trusts	(245)	(253)	(204)
Total shareholders' equity	245	528	959
Total liabilities and shareholders' equity	3,000	3,510	4,373

Goodwill and other intangibles are net of accumulated amortisation of £601 million (2002: £569 million, 2001: £551 million). Software development costs are net of accumulated amortisation of £19 million (2002: £19 million, 2001: £18 million).

Included within current assets is a deferred tax asset of £12 million (2002: £nil, 2001: £nil).

Additional disclosures required by US GAAP

Derivative instruments

The current year loss on derivative instruments is £33 million (2002: £28 million loss; 2001: £4 million gain). At 31 December 2002, the balance sheet includes a derivative liability of £48 million. The current year loss includes a loss of £26 million (2002: £19 million; 2001: £2 million) relating to currency forward contracts embedded within long term customer contracts.

Recent Accounting Pronouncements

EITF 00-21

In January 2003, the Emerging Issues Task Force (EITF) issued EITF 00-21, 'Accounting for Revenue Arrangements with Multiple Deliverables'. EITF 00-21 addresses the issues of (1) how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting; and (2) how arrangement consideration should be measured and allocated to the separate units of accounting in the arrangement. EITF 00-21 does not change otherwise applicable revenue recognition criteria. EITF 00-21 is effective for revenue arrangements entered into in fiscal periods beginning after 15 June 2003. This accounting pronouncement is not expected to have a significant impact on the Group's financial position or results of operations.

FIN 45

In November 2002, the FASB issued FASB Interpretation No. 45 (FIN 45), 'Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others.' FIN 45 requires a liability to be recognised at the time a company issues a guarantee for the fair value of the obligations assumed under certain guarantee agreements. The provisions for initial recognition and measurement of guarantee agreements are effective on a prospective basis for guarantees that are issued or modified after 31 December 2002. Reuters has assessed the impact of FIN 45 and has identified no material guarantees issued or modified on or after 1 January 2003 requiring either provision or disclosure. The Group is in the process of assessing the impact on the financial statements of guarantees issued prior to 1 January 2003.

FIN 46

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46 or 'the Interpretation'), 'Consolidation of Variable Interest Entities, an interpretation of ARB 51'. FIN 46 addresses the consolidation of entities for which control is achieved through means other than through voting rights ('variable interest entities' or 'VIE') by clarifying the application of Accounting Research Bulletin No. 51, 'Consolidated Financial Statements' to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 provides guidance on how to determine when and which business enterprise (the 'primary beneficiary') should consolidate the VIE. In addition, FIN 46 requires that both the primary beneficiary and all other enterprises with a significant variable interest in a VIE make additional disclosures.

FIN 46 was applied by Reuters Group to all VIE's created after 31 January 2003. Reuters will be required to apply FIN 46 to any VIE created before 1 February 2003 for the year ended 31 December 2004. Reuters has assessed the impact of FIN 46 in relation to VIEs created after 31 January 2003 and has identified no entities requiring consolidation under the provisions of FIN 46. The Group is in the process of identifying VIEs created prior to 31 January 2003 and is assessing the impact on the Group's financial position.

Information for shareholders

Ordinary shares

As of 3 March 2004, there were 1,398,169,006 ordinary shares outstanding, excluding 34,934,035 ordinary shares owned by certain employee share ownership trusts (see note 28 on the consolidated balance sheet on page 68).

Major shareholders

The company had received notice under section 198 of the UK Companies Act 1985, as at 3 March 2004 that the following parties held notifiable interests in its shares:

	Number of shares	Percentage of issued share capital
Brandes Investment Partners	126,286,798	8.81
Fidelity Investments	94,238,074	6.58
Merrill Lynch Investment Managers	48,978,642	3.42
Legal & General Investment Management	43,076,669	3.01

The company's major shareholders do not have any different voting rights from the other ordinary shareholders. Capital Group Companies, Inc. has decreased its shareholding throughout 2003 and no longer held a notifiable interest on 3 March 2004. Similarly Franklin Templeton Investments sold a number of shares at the beginning of 2004 causing its holding to fall below the 3% notification threshold. There were relatively few other movements in the major shareholders.

The Founders Share

Independence, integrity and freedom from bias in the gathering and dissemination of news and information is fundamental to Reuters Group. Reuters Founders Share Company Limited (the Founders Share Company) was established to safeguard those qualities and holds a single Founders Share. This share may be used to outvote all ordinary shares if other safeguards fail and there is an attempt to effect a change in control of the company. 'Control', for this purpose, means 30% of the ordinary shares. The directors of the Founders Share Company have a duty to ensure, as far as they are able by the proper exercise of the powers vested in them, that the Reuters Trust Principles are observed (see page 84).

The Founders Share Company's directors are nominated by a Nomination Committee which includes certain serving directors of the Founders Share Company, one person nominated by each of four news associations, two people appointed by the Chairman of Reuters Group PLC and two people appointed after consultation with the European Commission on Human Rights. A director of the Founders Share Company may not be a director or employee of Reuters Group.

The current directors of the Founders Share Company are as follows:

	Trustee since
Leonard Berkowitz	1998
The Honourable Mrs Anson GBM, CBE, JP	2002
Sir Michael Checkland	1994
Uffe Ellemann-Jensen, MP	2001
Robert Erburu	1999
Pehr Gyllenhammar (Chairman)	1997
Toyoo Gyohten	2000
Jacques De Larosi�re de Champfeu KBE	1999
John Hector McArthur	2001
Sir Christopher Leslie George Mallaby GCMG, GCVO	1998
Mammen Matthew	2002
The Right Hon The Baroness Noakes DBE	1998
Sir William Purves CBE, DSO	1998
Jaakko Rauramo	1999
Dr Mark W�ssner	2001

Except as described above, to the best of Reuters Group's knowledge, the company is not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person, severally or jointly, and currently there are no arrangements that may, at a subsequent date, result in a change in control of the company.

Related party transactions

General. Related party transactions are principally with Radianz, Factiva, TSI and Instinet Group. During 2003 and in accordance with inter-company agreements, Radianz provided the Group with network services, totalling £306 million (see 'Material contracts' on pages 87-88). Also during the year, Factiva provided picture archiving facilities, incorporation of its services in Reuters products and the internal use of its information product, for a total cost of £7 million. Reuters Group provided both companies with technical and administrative support services of £82 million and £47 million respectively. In addition, Reuters Group purchased £16 million of services from TSI.

Reuters has entered into arrangements with many of its subsidiary undertakings, joint ventures and associates in the normal course of business on commercial terms.

Reuters Group provided financial information services to many of the companies with which it shares a common director. These services totalled £11 million during 2003. It also purchased services totalling £24 million.

All the above services were in the normal course of business and charged at commercial rates. Only in the case of the transactions with Radianz and Factiva, described above, and TSI, described below, were any of the amounts involved material to either party. These services are ongoing and continued at historical levels to the date of this report.

Under the terms of the agreement with Dow Jones & Co. relating to the formation of the Factiva joint venture, Reuters agreed to invest US\$20 million in cash in the venture over a period of five years. This element of the agreement is evidenced by an interest-free promissory note. At 31 December 2003 the balance outstanding under the note was US\$2 million.

Arrangements with TSI

Reuters owns the underlying intellectual property and technology that was in existence at 31 December 1996 and that is incorporated into many of TSI's products. Reuters licenses this technology to TSI pursuant to a licence agreement. TSI owns all technology and related intellectual property rights independently developed by TSI since 1 January 1997, including enhancements and improvements to the licenced technology, which TSI itself licenses to Reuters pursuant to the licence agreement.

Through the third quarter of 2003, Reuters had a licence, distribution and maintenance agreement with TSI pursuant to which Reuters was required to pay TSI certain minimum distribution fees related to sales of TSI's products to financial services market customers. Under this agreement, Reuters obligations with respect to the minimum distribution fees were to expire at the end of the calendar year 2003, and TSI was restricted until May 2004 from selling its products and providing consulting services directly to companies in the financial services market, except in limited circumstances, if Reuters continued to pay the minimum distribution fees until that date. In October 2003, Reuters entered into a revised commercial agreement with TSI. Pursuant to the revised agreement, TSI has the right to market and sell its products to customers in the financial services market, except that TSI will not be able to market or sell risk management applications or market data systems for financial services companies or to sell to financial services customers through four specified resellers until May 2008. Reuters will continue to have the right to use TSI technology internally and embedded within its products, and TSI will provide certain fee-based support services to Reuters. The agreement provides that Reuters and TSI will work together to migrate Reuters existing customers' maintenance contracts to TSI, and that Reuters will phase out its role as a general reseller of TSI products by

Each Founders Share Company director is normally required to retire at the annual general meeting of the Founders Share Company following the fifth anniversary of his or her nomination or last renomination and will be eligible for renomination (unless he or she has reached the age of 75).

March 2005. Until its reseller rights are phased out, Reuters will continue to make quarterly payments of US\$5 million to TSI, subject to reduction based on TSI's direct revenues from products and support sold to financial services customers.

At the same time, Reuters and TSI entered into an agreement pursuant to which TSI agreed to register sales by Reuters of its TSI shares under the US securities laws, and to repurchase up to US\$115 million of its shares from Reuters, upon Reuters completing a single public offering of at least US\$100 million of TSI shares. In February 2004, Reuters completed a registered public offering of 69 million TSI shares for US\$473 million, (£261 million) and TSI repurchased an additional 17 million shares for US\$115 million, resulting in aggregate net proceeds to Reuters, after underwriting and transaction fees, of approximately US\$563 million, (£311 million).

Certain arrangements with Instinet Group

RGRS. Under agreements between Reuters and Instinet Group, Instinet Group customers gain the ability to submit orders to Instinet Group and to receive indications of interest from Instinet Group over the RGRS network. Instinet Group is not required to pay for orders it receives through RGRS. The US agreement (covering global orders submitted via a US connection) term is to 17 December 2005 subject to annual renewal thereafter, and is subject to termination rights if Reuters ceases to own a majority of Instinet Group's voting stock. The UK agreement (covering global orders submitted via a UK connection) was executed on 22 December 2003. The term is indefinite with no renewal provisions and will continue until terminated by either party on six months' notice.

In addition, under a development agreement Reuters develops enhancements to the RGRS interface so that customers can better access Instinet Group's proprietary trading functionality. The initial term runs through to 19 September 2004 subject to annual renewal thereafter and terminable by either party on a change of control of Instinet Group, including if Reuters ceases to own a majority of Instinet Group's voting stock.

NewportSM. Under an agreement with Instinet Group, Reuters has the right to provide exclusively the real-time market data for Instinet Group's NewportSM (patent pending) program trading application. The agreement term is to 19 September 2004 subject to annual renewal thereafter and is terminable by either party on a change of control of Instinet Group, including if Reuters ceases to own a majority of Instinet Group's voting stock.

Market data. Reuters is entitled to redistribute certain proprietary equity securities data from Instinet Group under two data distribution agreements. Under a data distribution agreement entered into at the time of the Instinet IPO, Reuters has the limited right to be the exclusive data vendor distributing some of Instinet Group's proprietary equity securities data. This agreement will terminate with effect from 17 May 2004. Reuters also has the right to redistribute a broader set of proprietary equity securities data from Instinet Group under an agreement originally entered into with Island ECN (which was acquired by Instinet Group in September 2002). This agreement, which will continue following the termination of the exclusive arrangement, has a term until 28 June 2004 subject to annual renewal thereafter. Reuters is not required to make payments in connection with any such redistribution.

Preferred soft-dollar arrangement. This agreement establishes a preferred commercial and soft-dollar arrangement for Instinet Group customers that purchase Reuters products and services. This is available to certain customers who are increasing their level of business with Instinet Group, Reuters or both. Reuters compensates Instinet Group's sales personnel for new sales of Reuters products and services, and Instinet Group will pay Reuters an annual fee for various administrative and marketing services related to training of Instinet Group's personnel. The agreement term is to 19 September 2004 subject to annual renewal thereafter and is terminable by either party on a change of control of Instinet Group, including if Reuters ceases to own a majority of Instinet Group's voting stock.

Patent licensing agreement. Reuters has granted Instinet Group a patent licence permitting Instinet Group to make, use and sell products that include a system with functionality that identifies counterparties to a transaction and enables communication between the counterparties to negotiate the terms of the transaction. This licence is for the life of the patent, although it may be terminated under customary conditions. In addition, Reuters has the right to terminate in the event that Instinet uses the patent to create products that compete with any of Reuters products. Reuters also has the right to terminate the licence generally if it ceases to own a majority of Instinet Group's voting stock, subject to Instinet retaining some rights to the patent for products existing on or before the date of such termination. Instinet has also agreed that if it obtains a patent for a system with substantially similar functionality, it would grant Reuters a licence to that patent on terms no worse than the terms of this licence.

Commission sharing agreement. Instinet Group has agreed to open accounts for some institutional clients that Bridge Trading introduces to Instinet Group, and to rebate Bridge Trading portions of the commissions these customers pay at a commercially reasonable rate. This agreement is terminable at will by either party.

Triad. Under an agreement with Bridge Trading, Instinet Group has the ability to deliver indications of interest and advertised trades to its customers and potential customers through Reuters Triad network. Instinet Group pays standard commercial rates for indications of interest and advertised trades it delivers through Triad. The current term of the agreement is through 22 July 2004, subject to annual renewal thereafter.

Global Solutions Agreement. This agreement enables Instinet Group to license software from Reuters, usually on a one-time fee basis, on a worldwide basis. Reuters has also agreed to provide software support for the licensed products.

3 Times Square sublease. Instinet Group is subject to an agreement with Reuters to sublease 360,000 square feet of office space at 3 Times Square in New York City. The sublease term is until 2021, with a one-time right of termination in 2011.

Corporate agreement. Reuters and Instinet Group are parties to a corporate agreement providing for, among other things: (i) Reuters rights to nominate directors to the Instinet Group board; (ii) consent rights by Reuters with respect to specified significant transactions so long as Reuters beneficially owns at least 35% but less than a majority of Instinet Group's voting stock; (iii) consent rights with respect to Instinet Group incurring more than US\$400 million net indebtedness, other than in the ordinary course of its brokerage or similar businesses, so long as Reuters holds a majority of Instinet Group's outstanding voting stock; (iv) restrictions on Instinet Group voluntarily taking any action reducing Reuters ownership to less than 51%; and (v) restrictions on Instinet Group becoming registered as a national securities exchange, without Reuters prior consent, if such registration would materially affect Reuters ability to exercise its voting and other rights related to its ownership of Instinet common shares, so long as Reuters beneficially owns more than 30% of Instinet Group's voting stock.

See also Material contracts on page 87.

Information for shareholders continued

Radianz

An officer and former director of Reuters, David Ure, participates in an all employee stock option plan operated by Radianz. Under the terms of the plan, options may be granted, at not less than fair market value, to directors and employees of Radianz. No further options were granted to David Ure in 2003.

Trading markets

The company's ordinary shares are traded on the London Stock Exchange. American Depositary Shares (ADSs), each representing six ordinary shares, are traded on the Nasdaq Stock Market. The ADSs are evidenced by American Depositary Receipts (ADRs) issued by JPMorgan Chase Bank, as Depositary under a Deposit Agreement, dated 18 February 1998 (the Deposit Agreement), among the company, the Depositary and ADR holders.

The table below sets out, for the periods indicated (i) the reported high and low sales prices for the ordinary shares based on the Daily Official List of the London Stock Exchange and (ii) the reported high and low sales prices of the ADSs on Nasdaq.

	The London Stock Exchange		Nasdaq	
	Pounds per share	US dollars per ADS	High	Low

Annual market prices:

1999	10.10	5.17	96.63	51.13
2000	16.20	7.59	153.63	74.25
2001	11.58	5.26	103.44	46.00
2002	7.47	1.61	64.36	15.12
2003	2.68	0.96	27.09	9.59

Quarterly market prices:

2002

First quarter	7.47	5.05	64.36	44.00
Second quarter	5.62	3.44	48.46	31.25
Third quarter	3.55	2.16	33.35	20.15
Fourth quarter	2.36	1.61	22.06	15.12

2003

First quarter	2.04	0.96	19.65	9.59
Second quarter	2.00	1.04	20.27	9.92
Third quarter	2.67	1.70	25.06	17.52
Fourth quarter	2.68	2.19	27.09	22.47

Monthly market prices:

2003

August	2.67	2.33	25.06	22.58
September	2.57	2.12	24.41	21.66
October	2.57	2.19	26.34	22.47
November	2.68	2.46	27.09	25.31
December	2.57	2.28	26.80	24.20

2004

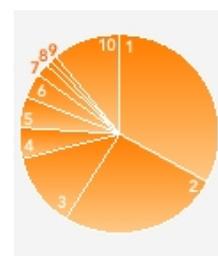
January	3.25	2.35	35.51	25.35
February	4.29	3.72	49.15	36.30
March (to 3 March)	4.00	3.90	44.61	43.56

Analysis of shareholders

As of 3 March 2004, there were 1,398,169,006 Reuters ordinary shares in issue, including the shares referred to below but excluding ordinary shares held by employee share ownership trusts. There were 30,979 shareholders on the ordinary share register analysed in the chart below.

As of the same date, 837,444 ordinary shares and 28,453,997 ADSs (representing 170,723,982 ordinary shares) were held on the record in the US. These ordinary shares and ADSs were held by 249 record holders and 2,192 record holders, respectively and represented 0.06% or evidenced ADSs respectively, representing 12.2% respectively of the total number of ordinary shares outstanding. Since certain of these ordinary shares and ADSs were held by brokers or other nominees, the number of record holders in the US may not be representative of the number of beneficial holders or of where the beneficial holders are resident.

1 Investment trusts, unit trust mutual funds	33%
2 Pension funds	26%
3 ADSs	12%
4 Foreign banks	5%
5 Insurance companies	5%
6 Private investors	4%
7 Non-profit organisations	2%
8 Foreign governments	1%
9 Corporate holdings	1%
10 Other/below analysis threshold (note1)	11%



Note1: Includes all holdings below 100,000 shares, except for private investors, whose holdings are analysed below this level.

Dividends

The table below sets forth the amounts of interim, final and total dividends (excluding any associated UK tax credit discussed on page 84) paid in respect of each fiscal year indicated. Pound sterling amounts per share have been translated into US cents per ADS (each representing six ordinary shares) at the actual rates of exchange used for each of the respective payments of interim and final dividends.

Fiscal year ended 31 December	Pence per share			Cents per ADS		
	Interim	Final	Total	Interim	Final	Total
Dividends in accordance with UK GAAP						
1999	3.65	11.00	14.65	35.03	104.15	139.18
2000	3.65	12.35	16.00	31.56	106.44	138.00
2001	3.85	6.15	10.00	33.29	53.56	86.85
2002	3.85	6.15	10.00	36.05	58.46	94.51
2003 ¹	3.85	6.15	10.00	36.08		

¹ The final dividend in respect of 2003 is payable on 29 April 2004 to holders of ordinary shares on the register at 12 March 2004 and on 6 May 2004 to holders of ADSs on the record at 12 March 2004 and will be converted into US dollars from sterling at the rate prevailing on 1 May 2004.

See page 27 for a discussion of the Group's dividend policy.

Memorandum and Articles of Association

The following description summarises certain material rights of holders of the company's ordinary shares of 25 pence each and material provisions of the company's Memorandum and Articles of Association (the Articles), the Memorandum and Articles of Association of Reuters Founders Share Company Limited (the Founders Share Company) and English law. The following description is a summary only and is qualified in its entirety by reference to the Articles (which have been filed with the SEC and Companies House) and the Companies Act. The summary that follows applies to both the current Articles and proposed new Articles of the company except the references to treasury shares which will only become applicable and relevant if shareholders approve the new Articles at the forthcoming annual general meeting.

All of the outstanding ordinary shares are fully paid. Accordingly, no further contribution of capital may be required from the holders of such shares by Reuters.

In this description, the term 'holder' refers to the person registered in the register of members as the holder of the relevant share and the term 'beneficial owner' refers to a person other than the holder who has a beneficial interest in the relevant share. JPMorgan Chase Bank, which acts as Depositary under the Deposit Agreement relating to the American Depositary Shares, or ADSs, is the holder of the ordinary shares represented by the outstanding ADSs.

General

Reuters Group PLC is incorporated under that name and is registered in England and Wales with registered number 3296375. Its objects are set out in the fourth clause of its Memorandum of Association and cover a wide range of activities, including the following:

- collecting information and supplying news and information services and products;
- acquiring and operating wireless installations, satellites and other means of communication;
- utilising the Group's communications capabilities to provide various financial and securities markets services; and
- carrying on any other business supplemental to the foregoing or capable of enhancing the Group's profitability or capitalising on the Group's expertise.

The Memorandum of Association provides a broad range of corporate powers to effect these objectives.

Information for shareholders continued

The Reuters Trust Principles and the Founders Share Company

The Articles contain two sets of restrictions relating to the ownership of Reuters shares. These restrictions are intended to ensure continued compliance with the following principles (the Reuters Trust Principles) set out in the Article F.114:

- that Reuters shall at no time pass into the hands of any one interest, group or faction;
- that the integrity, independence and freedom from bias of Reuters shall at all times be fully preserved;
- that Reuters shall supply unbiased and reliable news services to newspapers, news agencies, broadcasters and other media subscribers and to businesses, governments, institutions, individuals and others with whom Reuters has or may have contracts;
- that Reuters shall pay due regard to the many interests which it serves in addition to those of the media; and
- that no effort shall be spared to expand, develop and adapt the news and other services and products of Reuters so as to maintain its leading position in the international news and information business.'

For the purposes of the Reuters Trust Principles, the Articles define the term Reuters to mean Reuters Group PLC and every subsidiary of it from time to time supplying news services.

The first set of restrictions contained in the Articles applies to persons that become 'interested' in 15% or more of the ordinary shares outstanding at any time (excluding any shares held by Reuters as treasury shares). The term 'interested' is defined in the Articles by reference to provisions of the Companies Act which require persons to disclose to public companies interests in voting shares in excess of a prescribed percentage. Subject to certain exceptions, all shares held by a person who reaches the 15% limit will be disenfranchised and the shares exceeding the 15% limit must be disposed of. This set of restrictions is more fully described below under 'Rights and restrictions attaching to Reuters shares – Restrictions on ownership – Disenfranchisement and disposal of excess interests.'

Second, the company's share capital includes the Founders Share, which is held by the Founders Share Company, a company limited by guarantee consisting of individuals, referred to as the Reuters Trustees, who constitute both its members and directors. The Founders Share empowers the Founders Share Company to cast such number of votes as will pass any resolution supported by and defeat any resolution opposed by, the Founders Share Company if it believes that any person or persons have obtained, or are seeking to obtain, control of Reuters Group. Control for these purposes is defined as the ability to control the exercise of 30% or more of the votes that may be cast on a poll at general meetings. Under the Articles, the special rights attaching to the Founders Share may not be varied or abrogated in any respect without the prior written consent of the Founders Share Company. The rights attaching to the Founders Share are described in more detail below under 'Rights and restrictions attaching shares – Voting rights – Rights conferred by Founders Share.'

The restrictions on interests in ordinary shares and the extraordinary voting rights of the Founders Share may be characterised as anti-takeover provisions to the extent they may have the effect of preventing a bid for control of Reuters Group. Tender offers or other non-market acquisitions of shares are usually made at prices above the prevailing market price of a company's shares. Acquisitions of shares by persons attempting to acquire control through market purchases may support the price of shares at market levels higher than otherwise would be the case. The restrictions and extraordinary voting rights summarised in this section may be expected to preclude such offers.

Directors

The company's Articles provide for a board of directors consisting of not fewer than five nor more than 15 directors. The Articles require that, in performing their duties, the directors have due regard for the Reuters Trust Principles insofar as, by the proper exercise of their powers and in accordance with their other duties as directors, the directors may do so.

The Articles contain provisions that require the board of directors to include at least five non-executive directors before a new executive director can be appointed.

Under the Articles, a director may not vote in respect of any contract, arrangement or proposal in which the director, or any person connected with the director, has any material interest other than by virtue of the director's interests in securities of, or otherwise in or through, the company. This is subject to certain exceptions relating to proposals (a) giving the director any guarantee, security or indemnity in respect of obligations incurred at the request of or for the benefit of Reuters Group, (b) giving any guarantee, security or indemnity to a third party in respect of obligations of Reuters Group for which the director has assumed responsibility under an indemnity or guarantee, (c) relating to an offer of securities of Reuters Group in which the director may be entitled to participate or will be interested as an underwriter, (d) concerning any other company in which the director is beneficially interested in less than 1% of the issued shares of any class of the company or the voting rights available to its shareholders, (e) relating to the adoption, modification or operation of any employee benefits plan which will provide the director with the same benefits as other employees and (f) relating to any liability insurance that Reuters is empowered to purchase for its directors or employees in respect of actions undertaken as directors or officers of Reuters Group.

The directors are empowered to exercise all the powers of Reuters Group to borrow money, subject to the limitation that the aggregate principal amount outstanding in respect of monies borrowed by the Reuters Group shall not exceed a sum equal to two and a half times the company's share capital and aggregate reserves, calculated in the manner described in the Articles and £5,000 million, unless sanctioned by an ordinary resolution of the company's shareholders.

At each annual general meeting of Reuters shareholders at least one-third of the directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. The directors to retire by rotation at the annual general meeting include any director who is due to retire at the meeting by reason of age. A retiring director shall be eligible for re-election. For additional information see the Directors' report and Corporate governance which appear on pages 11 and 14.

Directors are not required to hold shares in order to qualify as a director. A director not holding any shares may nevertheless attend and speak at general meetings of the company.

Rights and restrictions attaching to shares

Dividends

Holders of ordinary shares are entitled to participate in the payment of dividends pro rata to their holdings. The Founders Share is not entitled to participate in the payment of dividends nor will any dividend be paid on any shares held by Reuters in treasury. The Board may propose and pay interim dividends and recommend a final dividend, in respect of any accounting period out of the profits available for distribution under English law. A final dividend may be declared by the shareholders in general meeting by ordinary resolution, but no dividend may be declared in excess of the amount recommended by the Board.

The company may allot ordinary shares in lieu of cash dividends, subject to shareholder approval at the time the relevant dividend is declared. In addition, the company may declare and pay equivalent dividends to shareholders outside the United Kingdom in local currencies and pay such dividends to the Depositary for value on the payment date.

Voting rights

Rights conferred by ordinary shares. Voting at a general meeting of shareholders is by show of hands unless, before or on making known the result, a poll is demanded in accordance with the Articles. If voting is by show of hands, each holder of ordinary shares who is present in person has one vote. On a poll, every holder of ordinary shares who is present in person or by proxy has one vote for every ordinary share held.

Voting rights attaching to any shares held in treasury by Reuters will not be exercisable.

Holders of a substantial number of ordinary shares may be disenfranchised under the circumstances described under 'Restrictions on ownership' below.

Rights conferred by Founders Share. The Founders Share confers upon the Founders Share Company the right to cast such number of votes as are necessary to defeat any resolution which would vary or abrogate the rights of the Founders Share. The Articles provide that the alteration of specified articles relating to the Founders Share and the Reuters Trust Principles are deemed to constitute a variation of the rights of the Founders Share. In addition, any resolution proposing the winding up of Reuters Group voluntarily, by the Court, or any reconstruction of Reuters Group, or any resolution which would attach to any share voting rights not identical in all respects with those of the ordinary shares, is deemed to be a variation of the rights of the Founders Share.

Additionally, if there are, in the opinion of the Founders Share Company, reasonable grounds for believing that any person and his associates have obtained or are attempting to obtain, directly or indirectly, control of Reuters Group, the Founders Share Company is entitled in its absolute discretion to serve Reuters with a written notice (a Founders Share Control Notice) to that effect. Control is defined for these purposes as the ability to control the exercise of 30% or more of the votes which may be cast on a poll at a general meeting. At all times after the service of a Founders Share Control Notice and pending its rescission, the Founders Share confers upon the Founders Share Company the right to cast on a poll such number of votes as are necessary to ensure the effective passing of any resolution in favour of which it votes and to ensure the defeat of any resolution against which it votes. The Articles provide that the opinion of the Founders Share Company in respect of the service or rescission of a Founders Share Control Notice shall be final and binding and may not be challenged on any grounds whatsoever.

The Founders Share Company is entitled at any time to serve Reuters with a written request for an extraordinary general meeting and the directors are obliged to comply with such request. If they do not comply, the Founders Share Company is entitled to convene an extraordinary general meeting. If a Founders Share Control Notice has been served, however, the Founders Share Company can convene an extraordinary general meeting without first requesting that the directors do so.

One quarter of the Reuters Trustees present at the relevant Trustees' meeting can bind all the Founders Share Company directors to exercise the voting rights attaching to the Founders Share so as to defeat a resolution that would be deemed to be a variation of the rights attached to the Founders Share. However, the vote of a majority of the Reuters Trustees (the chairman of the Founders Share Company having a casting vote in the event of equality of votes) is required to determine whether a Founders Share Control Notice should be served and, if so, the manner in which the voting rights attaching to the Founders Share shall be exercised (excluding the vote of any Reuters Trustee who is associated with or materially financially interested in the person attempting to obtain control of Reuters).

Restrictions on ownership

Ordinary shares. Under the Articles, a person is 'interested' in shares if, among other things, he is interested directly, or through his family or one or more companies, or through an interest in association with others pursuant to an agreement or understanding, or through a trust or if he controls the voting rights of others. The definition of 'interest in shares' in the Articles is made by reference, with specified variations, to certain provisions of the Companies Act.

Information for shareholders continued

Disclosure of interests in ordinary shares. The Articles provide for the disclosure of interests in Reuters ordinary shares by reference to the Companies Act provisions mentioned above, with specified variations. Under these provisions as currently in force, if a person acquires an 'interest' in voting shares of a public company amounting to 10% or more of the voting shares of any class, or if he increases or reduces such holding by at least 1% or if he ceases to have such holding, he is obliged to notify the company within two days of the day on which he acquired 10% or any such change in his interest took place. Further, if his interest is a 'material interest' the 10% referred to above is reduced to 3%.

The Articles provide for disenfranchisement of shares which are the subject of a notice under Section 212 of the Companies Act (which allows a company to require disclosure of certain details concerning ownership of its shares) if the person served with the notice is in default in answering it. The Articles also provide for the imposition of restrictions on transferability of the shares concerned and on the right to receive dividends if such shares represent at least 0.25% of the class concerned. Such restrictions cannot, however, be imposed until the expiry of 14 days after the date of the Section 212 notice. Any such restrictions cease if the shares concerned are sold pursuant to a takeover offer or to an unconnected third party or through the London Stock Exchange. The restrictions on transferability only apply to certificated shares. Where a holder of uncertificated shares is in default in answering a Section 212 notice, the Articles provide that the Founders Share Company may require the Group's directors to apply to the Court for such order as may be appropriate.

Shares held by Reuters in treasury are disregarded for the purposes of calculating a person's percentage interest when determining whether that person is obliged to give notice of an interest in shares to Reuters.

Disenfranchisement and disposals of excess interests. Subject to certain exceptions described below, certain restrictions apply to persons that become 'interested' (as defined in the Articles) in 15% or more of the ordinary shares. If any person becomes interested in 15% or more of the outstanding shares (excluding any shares held by Reuters as treasury shares) (the 'Relevant Shares'), the directors are required to serve a Restriction Notice on that person, on any other person known to the directors to have an interest in the Relevant Shares and, if different, on the registered holder of the Relevant Shares. While a Restriction Notice in respect of Relevant Shares is in force, a registered holder of the Relevant Shares is not entitled to attend or vote, either in person or by proxy, at any general meeting or at any meeting of the holders of any class of Reuters shares. In addition, a Restriction Notice will require such person to dispose of any Relevant Shares exceeding the 15% limit and supply evidence to the company that such disposal has occurred within 21 days or such longer period as the directors consider reasonable. If such disposition is not made within the specified period, the directors must as far as they are able, dispose of any shares exceeding the 15% limit. Under the Articles, any belief, resolution, decision or action of the directors held, made or taken pursuant to any of the provisions concerning restrictions on ownership shall be conclusive, final and binding on all persons concerned and may not be challenged on any grounds whatsoever.

The restrictions are subject to certain modifications where a person becomes interested in 15% or more of the issued shares of any class by reason of a rights issue or an underwriting in the ordinary course of its business.

The Founders Share. Ownership of the Founders Share is restricted to the Founders Share Company. Under its Memorandum of Association, the Founders Share Company is not permitted, directly or indirectly, to dispose of the Founders Share or of any interest therein, or to grant any rights in respect of the Founders Share or any interest therein.

Treasury Shares. Subject to obtaining the necessary shareholder approval, Reuters may acquire and thereafter hold up to 10% of its issued listed share capital in treasury. Any such acquisition must be financed from the distributable profits of Reuters. Subject to certain limited exceptions, the rights attaching to shares while held in treasury will be suspended. Treasury shares may only be subsequently disposed of by Reuters by way of cash sale, transfer for the purposes of or pursuant to an employees' share scheme or cancellation.

Pre-emptive rights, new issues of shares, sale of treasury shares and repurchase of shares

Holders of ordinary shares have no pre-emptive rights under the Articles. However, the ability of the directors to cause the company to issue shares, securities convertible into shares or rights to shares, or to sell treasury shares, otherwise than pursuant to an employee share scheme, is restricted.

Under the Companies Act, the directors are, with certain exceptions, unable to allot any equity securities without express authorisation, which may be contained in the Articles or given by its shareholders in general meeting, but which in either event cannot last for more than five years. The Companies Act imposes further restrictions on the issue of equity securities for cash or sale of treasury shares for cash other than by offering them first to existing shareholders unless the statutory requirement is displaced or modified by the shareholders in general meeting or under the company's Articles.

At Reuters annual general meeting to be held on 22 April 2004, a resolution will be proposed to authorise the directors to allot relevant securities, as defined in the Companies Act, including any equity securities, up to an aggregate nominal amount of £107,400,000 until the earlier to occur of the annual general meeting in 2005 or 22 July 2005. A resolution will also be proposed to authorise equity securities as defined in the Companies Act to be issued within this limit by way of a rights offer, or otherwise pro rata to existing shareholders, but other issues of equity securities, except for shares issued pursuant to employee share schemes, will be limited to an aggregate of £17,000,000 in nominal value.

Subject to applicable provisions of English law, the company may purchase its ordinary shares. Currently, it has general authority to repurchase up to 143,252,325 ordinary shares at prices ranging from 25 pence and not more than 5% above the average of the middle market quotations taken from the Daily Official List of the London Stock Exchange for the five business days before the purchase is made. At the Reuters annual general meeting on 22 April 2004, a resolution will be proposed to increase this authority to 143,254,000 ordinary shares. Reuters undertakes that the authority to purchase its own shares will only be exercised if to do so would result in an increase in earnings per share and is in the best interests of its shareholders.

Rights in a winding up

If Reuters Group PLC is wound up, the liquidator may, with the authority of an extraordinary resolution, divide among the holders of ordinary shares and the Founders Share, pro rata to their holdings, Reuters assets (after satisfaction of liabilities to creditors), provided, however, that the Founders Share Company may receive up to £1 and no more.

Variation of rights and alteration of share capital

If, at any time, the company's share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act, with the consent in writing of holders of three-quarters in value of the shares of that class or upon the adoption of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class. At every such separate meeting, all of the provisions of the Articles relating to proceedings at a general meeting apply, except that the quorum is to be the number of persons (which must be two or more) who hold or represent by proxy not less than one-third in nominal value of the issued shares of the class.

The company can increase its share capital by ordinary resolution in conformity with the provisions of the Companies Act. However, new shares cannot have voting rights, which are not identical to those of ordinary shares without the prior written consent of the Founders Share Company. Furthermore, the company may issue shares with preferred and other special rights or restrictions, provided that the prior written consent of the Founders Share Company has been sought for issuing any shares with rights not identical to those of ordinary shares. The company can consolidate, divide and cancel any of its shares (other than the Founders Share) by extraordinary resolution and can reduce its share capital (other than the Founders Share).

Annual general meetings and extraordinary general meetings

Annual general meetings must be convened upon advance written notice of 21 days. An extraordinary general meeting must be convened upon advance written notice of 21 days for the passing of a special resolution and 14 days for any other resolution, depending on the nature of the business to be transacted. The notice must specify the nature of the business to be transacted if it is other than routine business or if an extraordinary or a special resolution is proposed. The notice may also specify a time, not more than 48 hours prior to the time fixed for the meeting, by which a person must be entered on the company's register in order to have the right to attend and vote at the meeting.

Limitations on voting and shareholding

There are no limitations imposed by English law or the company's Articles on the right of non-residents or foreign persons to hold or vote ordinary shares or ADSs, other than the limitations that would generally apply to all of Reuters shareholders.

Material contracts

Instinet Group/Island merger agreement

In June 2002 Instinet Group entered into a merger agreement with Island ECN. The agreement provided for Instinet Group to acquire Island ECN for an aggregate of approximately 86 million shares of, and options and warrants to acquire shares of, Instinet Group common stock. The agreement also contemplated the payment of a US\$1.00 per share dividend by Instinet Group to its stockholders prior to the completion of the merger. In connection with the merger agreement, Reuters entered into various stockholder and corporate agreements with Instinet Group and certain stockholders of Island providing for, among other things, director nomination rights and voting, restrictions on purchases, sales and issuances of Instinet Group shares, approval rights regarding certain transactions, and registration rights. Pursuant to these provisions, Reuters was restricted from transferring its Instinet Group shares until September 2003, and, with certain exceptions, is limited in acquiring additional shares of Instinet Group without the consent of Instinet Group's Board until September 2005, subject to earlier termination in some circumstances.

Savvis network services agreement

In connection with the Bridge acquisition in 2001, Reuters entered into a binding term sheet with Savvis, Bridge's network service provider, under which Savvis agreed to provide internet protocol network services, internet access and co-location services (the Services) necessary to continue network services for the Bridge business and customers Reuters was acquiring. The term sheet was formalised by an agreement entered into by the parties in September 2001, which has subsequently been amended at various times. The agreement, which has a five-year term, requires Reuters to purchase a minimum of US\$92 million (£56 million) worth of Services in the first year of the agreement, US\$86 million (£53 million) worth of Services in the second year, US\$79 million (£45 million) worth of Services in the third year, US\$43 million (£26 million) worth of Services in the fourth year and US\$29 million (£16 million) worth of Services in the fifth year, subject to adjustment and reduction under certain circumstances, including reductions (applied to later year minimums first) representing the amount of payments made by Bridge to Savvis for Services while the Bridge acquisition was pending. If Savvis does not meet certain required quality of service levels, Reuters is entitled to credits and, in the event of a material breach of such quality of service levels, Reuters is entitled to terminate the agreement.

Radianz – joint venture with Equant

In 2000 Reuters established with Equant a joint venture company (Radianz) to offer secure internet protocol network services to the financial services industry. Reuters has transferred substantially all of its telecommunications network assets into Radianz and now owns 51% of Radianz. To secure the long-term availability of the Radianz network, Reuters entered into a Network Services Agreement (the NSA) with Radianz in May 2000. The NSA has an initial term ending on 1 July 2005 and thereafter remains in full force and effect for successive one-year periods unless terminated by either party. Among other things, either party may terminate the NSA after the end of the initial term by one party giving not less than six months' notice which expires at the end of the initial five-year period or any subsequent renewal year. On termination, Radianz has agreed to provide reasonable assistance to Reuters to ensure that Reuters can migrate the services from Radianz to a third-party company.

Information for shareholders continued

The standards for performance of services provided have been agreed between Reuters and Radianz. In addition, the NSA sets out the processes and procedures for managing the contract going forward. In particular the NSA sets out details for monthly performance reviews to review capacity service levels, operational changes and orders, introduction of new services and ongoing requirements by Reuters. There is also provision for quarterly meetings to discuss the contract and its operation and technical matters relating to the business continuity plans.

Reuters has generally agreed to continue to use Radianz for its network services in support of global and strategic products during the term of the agreement. Detailed provisions in respect of rates and charges have been agreed between Radianz and Reuters which are believed to be competitive with the cost of reasonably comparable services. Radianz has agreed that it shall provide the network services to Reuters on terms which are no less favourable than reasonably comparable services offered to any other customer of Radianz, and Reuters has agreed to spend an agreed amount with Radianz annually.

Multex

In February 2003 Reuters and Multex.com, Inc. entered into a merger agreement providing for the acquisition by Reuters of all of the outstanding equity of Multex at US\$7.35 per share (other than the 6% interest already held by Reuters). The acquisition was completed in late March 2003. Certain Multex outstanding employee options with an exercise price less than the US\$7.35 per share acquisition price and which were scheduled to vest through 2004 were cancelled upon completion of the acquisition. Holders of the options instead became entitled to receive, on the date that their options would have vested, ordinary shares of the company with a value, calculated as of the date of completion, equal to the difference between the acquisition price and the exercise price of the options. If the value of the ordinary shares has declined between the date of completion and the date received by the applicable employees, the shortfall will be paid to the applicable employees by Reuters in cash (the maximum remaining cash exposure as of 31 December 2003 was approximately US\$3.7 million (£2.3 million)). The net cash cost to Reuters of acquiring Multex, other than the 6% interest already held by Reuters, was approximately US\$207 million (£131 million) on a fully diluted basis, net of exercise prices of all outstanding options and warrants with an exercise price below the acquisition price including the options described above. This also takes account of estimated transaction costs and cash which became available to Reuters as a result of the acquisition.

Moneyline Transitional Services Agreement

Reuters is party to a Transitional Services Agreement (TSA) with Moneyline Telerate Holdings and certain of its subsidiaries (Moneyline) dated as of 2 June 2003. The TSA arises from Reuters and Moneyline's respective acquisitions of certain assets out of bankruptcy from Bridge Information Systems, Inc. in late 2001 and formalises a term sheet the parties had been operating under since that time. Because the businesses Moneyline acquired – the global Telerate business and certain businesses of Bridge in Europe and Asia – were dependent on the software, systems and support capabilities acquired by Reuters and because some of the operations acquired by Reuters in Europe and Asia were to a lesser extent dependent on the assets and operations acquired by Moneyline, the parties entered into the TSA pursuant to which each agreed to provide the other with certain software and/or services for a transitional period.

Under the TSA, Moneyline has a limited right to sublicense to its own clients certain proprietary software acquired by Reuters from Bridge. Reuters also provides Moneyline with a variety of services – including data management, central system software development, technical operations and back office support – associated with management of the Bridge Data Network acquired by Reuters. Moneyline provides Reuters with facilities and maintenance for equipment supporting the data collection function of the Bridge Data Network in Europe and Asia, among other services.

For the term of the TSA, Moneyline is restricted in its ability to sell equities information products in North America where Reuters acquired the business of Bridge. The term of the TSA commenced on 18 October 2001 and runs to 18 October 2005, assuming Moneyline exercises its option to extend the TSA for a fourth year. Each party has a right to terminate services it is receiving under the TSA prior to the TSA's expiration. In addition, there is an obligation for each party to cancel services it is receiving if it is able to provide those services for itself or to contract for the services with a third party. Each party has a right to terminate the TSA in the event of a material breach by the other party.

For a discussion of other material contracts, see 'Related party transactions' on pages 80-81 and 'Financing needs and capital structure' on page 37.

Information for US shareholders

Exchange control

Under English law and the Articles, persons who are neither residents nor nationals of the UK may freely hold, vote and transfer their ordinary shares in the same manner as UK residents or nationals.

There are currently no UK foreign exchange control restrictions on remittances of dividends to non-resident holders of ordinary shares or on the conduct of Reuters operations.

Exchange rates

The following table sets forth, for the periods indicated, the average or the high and low Noon Buying Rates for pounds sterling in US dollars per £1.

Fiscal year ended 31 December	Average*	Month	High	Low
1999	1.62	August 2003	1.62	1.58
2000	1.52	September 2003	1.66	1.57
2001	1.44	October 2003	1.70	1.66
2002	1.51	November 2003	1.72	1.67
2003	1.64	December 2003	1.78	1.72
2004 (to 3 March)	1.84	January 2004	1.85	1.79
		February 2004	1.90	1.82

* The average exchange rates have been calculated using the Noon Buying Rates on the last trading day of each calendar month during the period.

On 3 March 2004 the Noon Buying Rate was US\$1.82 per £1.

Fluctuations in the exchange rate between the pound sterling and the US dollar will affect the US dollar amounts received by holders of the ADSs upon conversion by the depository of cash dividends paid in pounds sterling on the ordinary shares and represented by the ADSs. Also, fluctuations in the exchange rate may affect the relative market prices of the ADSs in the US and the ordinary shares in the UK.

For the effect on the Group's results of operations of fluctuations in the exchange rates between the pound sterling and the other major currencies (including the US dollar) in which revenues are received and expenditures are made by us, see Operating and financial review on page 27.

Taxation information for US shareholders

The following discussion of taxation is intended only as a descriptive summary and does not purport to be a complete technical analysis or listing of all potential tax effects relevant to a decision to acquire the company's ordinary shares or ADSs. The following summaries of UK tax laws are based on current tax laws, current UK Inland Revenue published practice and the terms of the UK/US double tax treaty which came into effect on 31 March 2003 (the Treaty), as appropriate, all of which are subject to a change at any time, possibly with retrospective effect.

1 UK taxation consequences

UK taxation of dividends – refund of tax credits

Under current UK taxation legislation, no withholding tax will be deducted from dividends paid by the company. A shareholder that is a company resident for UK tax purposes in the UK will not generally be taxable on any dividend it receives from the company.

A shareholder who is an individual resident for tax purposes in the UK is entitled to a tax credit on cash dividends paid by the company on ordinary shares equal to one-ninth of the cash dividend or 10% of the dividend plus the tax credit. Such shareholders will be taxable on the total of the dividend and the related tax credit, which will be regarded as the top slice of the shareholder's income. The tax credit may be set off against a UK resident individual shareholder's total income tax liability, but no cash refund will be available, save where ordinary shares are held in Personal Equity Plans and Individual Savings Accounts, in which case, the tax credit on dividends received into such accounts before 6 April 2004 will generally be repayable.

A US holder (as defined under 'US taxation consequences') will not receive any payment from the UK Inland Revenue in respect of a dividend from the company nor will have any further UK tax to pay in respect of that dividend either.

UK taxation of capital gains

Under the Treaty, capital gains on disposals of ordinary shares or ADRs will generally be subject to tax only in the jurisdiction of residence of the relevant holder as determined for the purposes of the Treaty, unless the ordinary shares or ADSs are held as part of the business property of a permanent establishment of that holder in the other jurisdiction in which case such capital gains may be subject to tax in both jurisdictions.

The Treaty also contains an anti-avoidance rule which will be relevant to individuals who are residents of either the UK or the US and who have been resident of the other jurisdiction (the US or the UK, as the case may be) at any time during the six years immediately preceding the relevant disposal of shares or ADSs. The New Treaty provides that, in such circumstances, capital gains arising from the disposal may be subject to tax not only in the jurisdiction of which the holder is resident at the time of the disposal, but also in that other jurisdiction.

UK inheritance tax

An individual who is domiciled in the US for the purposes of the UK/US estate and gift tax convention and who is not a national of the UK for the purposes of that convention, generally will not be subject to UK inheritance tax in respect of ordinary shares or ADSs on the individual's death, or on a transfer of ordinary shares or ADSs during the individual's lifetime. However, the individual will be subject to UK inheritance tax if the ordinary shares or ADSs are part of the business property of a permanent establishment of the individual in the UK, or pertain to a fixed base in the UK of an individual who performs independent personal services. Special rules apply to ordinary shares or ADSs held in trust. In the exceptional case, where the disposition is subject both to UK inheritance tax and to US federal gift or estate tax, the convention generally provides for any tax paid in the UK to be credited against tax liable to be paid in the US, or for tax paid in the US to be credited against the tax payable in the UK, based on priority rules set out in the convention.

Information for shareholders continued

UK stamp duty and stamp duty reserve tax

No UK stamp duty or interest thereon need be paid on the transfer of an ADS, or written agreement to transfer an ADS, provided that the instrument of transfer, or written agreement, is executed and remains outside the UK and does not relate to any matter or thing done, or to be done, in the UK, nor will UK stamp duty reserve tax (SDRT) be imposed in respect of any agreement for such a transfer of ADSs.

UK stamp duty will generally be charged on conveyances or transfers of ordinary shares, at the rate of 0.5% of the amount or value of the consideration, if any, for the transfer (rounded up to the next multiple of £5).

SDRT will be imposed, at the rate of 0.5% of the amount or value of the consideration for the transfer, if an agreement is made for the transfer of ordinary shares, unless an instrument of transfer of the ordinary shares in favour of the purchaser, or its nominee, is executed and duly stamped within six years of the day that the agreement is made (or, in a case where the agreement is conditional, the day that the condition is satisfied) in which case, any SDRT paid will be repaid (together with interest where the SDRT is not less than £25) on a claim for repayment or, to the extent not paid, the charge to SDRT will be cancelled. SDRT is in general payable by the purchaser of ordinary shares, but there are regulations which provide for collection from other persons in certain circumstances, including from CREST, where the relevant ordinary shares are held in CREST.

UK stamp duty or SDRT will generally be imposed on any instrument transferring ordinary shares to a person, or to a nominee or agent for such a person, whose business is or includes issuing depository receipts (such as the ADSs) for relevant securities. In these circumstances, stamp duty or SDRT will be charged at the rate of approximately 1.5% of the amount or value of the consideration for conveyance or transfer on sale or, otherwise, 1.5% of the value of the security transferred at the date the instrument is executed. A transfer into CREST will not be subject to this charge.

A transfer of ordinary shares from a depository, or its agent or nominee, to a transferee, which results in the cancellation of the ADS, which cancellation is liable to stamp duty as a 'conveyance or transfer on sale' because it completes a sale of such ordinary shares, will be liable to ad valorem stamp duty, at the rate of 0.5% of the amount or value of the consideration, if any, for the transfer. A transfer of ordinary shares from a depository, or its agent or nominee, to the ADS holder, which results in cancellation of the ADS but where there is no transfer of beneficial ownership, is not liable to duty as a 'conveyance or transfer on sale', but will be liable to a fixed stamp duty of £5.

2 US taxation consequences

The following is a summary of the material US federal income tax consequences of the ownership of ordinary shares or ADSs by a US holder that holds the ordinary shares or ADSs as capital assets and does not take into account the specific circumstances of any particular investors, some of which may be subject to special rules including US holders who hold directly or indirectly 10% or more of the voting stock. In addition, the summary is based in part upon the representations of the Depository and the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

For purposes of this discussion, a 'US holder' is any beneficial owner of ordinary shares or ADSs that is (i) a citizen or resident for tax purposes of the US, (ii) a corporation organised under the laws of the US or any US State, (iii) an estate the income of which is subject to US federal income tax without regard to its source, or (iv) a trust if a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust.

US taxation of dividends

The dividend paid by the company generally will be included in the gross income of a US holder as ordinary income for US federal income tax purposes. For dividends paid prior to 1 May 2003 (or 1 May 2004 if, as described below, the US holder has elected to extend the prior Treaty), the amount of dividend includable in income of a US holder includes any UK tax withheld from the dividend payment and amounts in respect of the UK tax credit. Such dividend will not be eligible for the dividends-received deduction generally allowed to US corporations with respect to dividends from other US corporations. The amount of the dividend distribution includable in income of a US holder will be the US dollar value of the pound sterling payments made, determined at the spot pound sterling/US dollar rate on the date such dividend distribution is includable in the income of the US holder, whether or not the payment is in fact converted into US dollars.

Under recently enacted US federal income tax legislation, an individual US holder's 'qualified dividend income' is subject to tax at a reduced rate of tax of 15%. For this purpose, qualified dividend income includes dividends from foreign corporations if (a) the stock of such corporation with respect to which such dividend is paid is readily tradeable on an established securities market in the United States, including Nasdaq, or (b) such corporation is eligible for the benefits of a comprehensive tax treaty with the US that includes an information exchange programme and is determined to be satisfactory to the Secretary of the Treasury. The US Secretary of the Treasury has indicated that the Treaty is satisfactory for this purpose. Dividends will not however qualify for the reduced rate if such corporation is treated for the tax year in which dividends are paid (for the prior year), as a 'foreign investment company,' a 'foreign personal holding company,' or a 'passive foreign investment company' for US federal income tax purposes. Based on the nature of our operations we do not believe that we would be treated as a foreign investment company or a foreign personal holding company. We do not believe we are a passive foreign investment company. See the discussion on PFIC status on page 91. Accordingly if our beliefs are correct, dividend distributions with respect to our shares should be treated as qualified dividend income and, subject to the US holder's satisfaction of the holding period requirements described below, should be eligible for the reduced 15% US federal income tax rate. A US holder will not be entitled to the reduced rate: (a) if the US holder has not held the ordinary shares or ADSs for at least 61 days of the 120-day period beginning on the date which is 60 days before the ex-dividend date; or (b) to the extent the US holder is under an obligation to make related payments on substantially similar or related property. Any days during which a US holder has diminished its risk of loss on the ordinary shares or ADSs are not counted towards meeting the 61-day holding period required by the statute. In a recent news release the IRS indicated that it intends to give current effect to a proposed legislative change changing the aforementioned 120 day period to a 121 day period. Our dividends generally will be foreign source passive income for US foreign tax credit purposes.

As discussed above, the UK does not currently apply a withholding tax on dividends under its internal laws. However, if such a withholding tax were introduced, the United Kingdom would be entitled, under the Treaty, to impose a withholding tax at a rate of up to 15% on dividends paid to a US holder. Subject to applicable limitations, a US holder who was subject to any such withholding should be entitled to claim a deduction for withheld tax or, subject to the holding period requirements mentioned below, a credit for such withholding tax against such US holder's US federal income tax liability. The US foreign tax credit limitation may be reduced to the extent that dividends are eligible for the reduced rate described above.

A US holder who is a US person for US federal income tax purposes and who was eligible for benefits under the former Income Tax Convention (Prior Treaty) between the United States and the United Kingdom which entered into force in 1980 (each such holder, an eligible US holder) may elect to continue to apply the provisions of the Prior Treaty with respect to dividends paid through 30 April 2004. The Prior Treaty will also apply to dividends paid prior to 1 May 2003 to

eligible US holders that did not elect to extend the Treaty. An eligible US holder electing to apply the provisions of the Prior Treaty with respect to our dividends will be required to apply all of the provisions of the Prior Treaty for an entire 12-month period ending on 30 April 2004 (or the UK taxable year ending in 2004 with respect to income, capital gains and corporation taxes). Under the Prior Treaty, an electing eligible US holder who is a beneficial owner of an ordinary share or ADS and of any cash dividend paid with respect thereto should be entitled to a foreign tax credit for UK withholding tax in an amount equal to one-ninth of any dividend paid through 30 April 2004 which, subject to applicable limitations,

would be creditable against such US holder's US federal income tax liability. An electing eligible US holder must include the additional UK tax credit amount in its gross income as additional dividend income. Thus, for example, an eligible US holder that elects the benefits of the Prior Treaty and receives an £8 dividend should be considered to have received a dividend of £8.89 (£8 dividend plus a £0.89 gross tax credit) and to have paid £0.89 of UK tax. An eligible US holder makes an election to apply the provisions of the Prior Treaty with respect to a dividend by indicating on Line 5 of IRS Form 8833 (Treaty Based Return Position Disclosure Under Section 6114 or 7701(b)) and filing IRS Form 8833 with the taxpayer's US federal income tax return for the relevant year. Pursuant to this election, the US holder will be treated as having paid the UK tax on the date of distribution. US holders may be required to satisfy certain holding period requirements with respect to an ordinary share or ADR in order to claim the foreign tax credit for the UK tax, as discussed below. **US holders should consult their tax advisors concerning their eligibility and the procedures for claiming the UK tax credit amount under the Prior Treaty.** A US holder will not be eligible to claim a foreign tax credit for the UK tax credit amount with respect to dividends received on the ordinary shares or ADSs: (a) if the US holder has not held the ordinary shares or ADSs for at least 16 days of the 30-day period beginning on the date which is 15 days before the ex-dividend date; or (b) to the extent the US holder is under an obligation to make related payments on substantially similar or related property. Any days during which a US holder has diminished its risk of loss on the ordinary shares or ADSs are not counted towards meeting the 16-day holding period requirement.

US taxation of capital gains

Upon a sale or other disposition of ordinary shares or ADSs, a US holder will recognise a gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realised and the US holder's tax basis (determined in US dollars) in such ordinary shares or ADSs. Generally, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the US holder's holding period for such ordinary shares or ADSs exceeds one year. Any such gain or loss generally will be income or loss from sources within the US for foreign tax credit limitation purposes. Long-term capital gain of a non-corporate US holder is generally subject to a maximum tax rate of 15%.

The deductibility of a capital loss recognised on the sale or exchange of ordinary shares or ADSs is subject to limitations.

If the ADSs or ordinary shares are publicly traded, a disposition of such ADSs or ordinary shares will be considered to occur on the 'trade date,' regardless of the US holder's method of accounting. A US holder that uses the cash method of accounting calculates the US dollar value of the proceeds received on the sale as of the date that the sale settles. However, a US holder that uses the accrual method of accounting is required to calculate the value of the proceeds of the sale as of the 'trade date' and, therefore, may realise foreign currency gain or loss, unless such US holder has elected to use the settlement date to determine its proceeds of sale for purposes of calculating such foreign currency gain or loss. In addition, a US holder that receives foreign currency upon the sale or exchange of the ADSs or ordinary shares and converts the foreign currency into US dollars subsequent to receipt will have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the US dollar. Foreign exchange gain or loss which will generally be US source ordinary income or loss.

Deposits and withdrawals of ordinary shares by US holders in exchange for ADSs will not result in the realisation of a gain or loss for US federal income tax purposes.

PFIC status

If a foreign company is a passive foreign investment company, or 'PFIC', based on either an income test or an asset test, then certain distributions and gain can be allocated ratably over a US shareholders' holding period, with the effect that the amount allocated to the current taxable year and any taxable year before we became a PFIC would be taxable as ordinary income in the current year, and the amount allocated to other taxable years would be taxed at the highest rate in effect for that year on ordinary income and the tax is subject to an interest charge at the rate applicable to deficiencies for income tax imposed to recover the deemed benefit from the deferred payment of the tax attributable to each such year. These consequences can be avoided if a US shareholder of a PFIC makes a timely election to treat the PFIC as a 'qualified electing fund,' or QEF, and is provided the information by the PFIC for such election. The consequence of the election is that the shareholder of a QEF includes in income a pro rata share of the ordinary earnings of the QEF as ordinary income and a pro rata share of the net capital gain of the QEF as long-term capital gain. The company does not intend to supply a US holder with the information needed to report income and gain pursuant to a QEF election in the event the company is classified as PFIC. Accordingly US holders should not assume they could make a QEF election if we became a PFIC.

Alternatively, a US holder of PFIC stock that is publicly traded can elect to mark the stock to market annually, recognising as ordinary income or loss each year an amount equal to the difference as of the close of the taxable year between the fair market value of the PFIC stock and the adjusted basis of the PFIC stock. Losses would be allowed only to the extent of net mark-to-market gain previously included by the US holder under the election for prior taxable years. If the mark-to-market election were made, then the rules set forth above would not apply for periods covered by the election.

The company reasonably believes that it was not a PFIC in 2003 and does not anticipate becoming a PFIC. However, the tests for determining PFIC status are applied annually and it is difficult to make accurate predictions of future income and assets, which are relevant to this determination. Accordingly, we cannot assure US holders that the IRS would agree with our belief, nor can the company assure US holders that it will not become a PFIC. US holders are urged to consult their own tax advisors about the PFIC rules, including the consequences to them of making a mark-to-market election with respect to our ordinary shares and ADSs in the event that we qualify as a PFIC.

US information reporting and backup withholding

A US holder is generally subject to information reporting requirements with respect to dividends paid in the US on ordinary shares or ADSs and proceeds paid from the sale, exchange, redemption or other disposition of ordinary shares or ADSs. In addition, a US holder is subject to backup withholding (currently at a rate of 28%) on dividends paid in the US on ordinary shares or ADSs and proceeds paid from the sale, exchange, redemption or other disposition of ordinary shares or ADSs unless the US holder is a corporation, provides an IRS Form W-9 or otherwise establishes a basis for exemption. Backup withholding is not an additional tax. The amount of any backup withholding will be allowed as a credit against a US holder with US federal income tax liability and may be refunded, provided that certain information is furnished to the IRS.

Eleven year consolidated financial summary

for the year ended 31 December

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Results											
Revenue	3,197	3,575	3,885	3,592	3,125	3,032	2,882	2,914	2,703	2,309	1,874
Net interest(payable)/receivable	(29)	(20)	(9)	3	(4)	2	80	61	60	51	60
Profit/(loss) before tax	49	(493)	158	657	632	580	626	652	558	510	440
Taxation	22	23	107	136	196	196	236	210	185	162	140
Profit/(loss) attributable to ordinary shareholders	43	(404)	46	521	436	384	390	442	373	347	299
Net assets											
Fixed assets	1,266	1,516	1,963	1,868	1,205	1,098	1,046	1,026	999	687	571
Net current (liabilities)/assets	(89)	(190)	(134)	(293)	(170)	(577)	790	525	387	176	151
Long-term creditors	(425)	(354)	(344)	(310)	(284)	(16)	(37)	(41)	(135)	(87)	(32)
Provisions	(271)	(245)	(212)	(112)	(88)	(116)	(120)	(51)	(39)	(36)	(32)
	481	727	1,273	1,153	663	389	1,679	1,459	1,212	740	658
Tangible fixed assets											
Additions	130	154	276	282	244	296	361	372	304	319	268
Depreciation	193	227	246	276	310	331	312	283	250	221	204
Development expenditure	171	200	294	323	197	200	235	202	191	159	110
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Ratios											
Earnings/(loss) per ordinary share	3.1p	(29.0p)	3.3p	37.1p	30.9p	26.7p	24.0p	27.3p	23.2p	21.7p	18.0p
Dividends per ordinary share	10.0p	10.0p	10.0p	16.0p	14.65p	14.4p	13.0p	11.75p	9.8p	8.0p	6.5p
Book value per ordinary share ¹	15.2p	30.7p	68.2p	73.7p	40.5p	23.3p	99.9p	88.3p	73.7p	44.7p	40.6p
Profit before tax as a percentage of revenue	1.5%	(13.8%)	4.1%	18.3%	20.2%	19.1%	21.7%	22.4%	20.6%	22.1%	23.5%
Return on tangible fixed assets ²	4.9%	(80.0%)	7.8%	78.3%	59.1%	48.2%	49.0%	60.0%	55.2%	57.6%	57.2%
Return on equity ³	13.3%	(58.4%)	4.6%	65.0%	92.2%	78.5%	25.6%	33.7%	34.8%	50.8%	39.5%
UK corporation tax rate	30%	30%	30%	30%	30%	31%	32%	33%	33%	33%	33%
Infrastructure											
Shares issued (millions)	1,433	1,433	1,431	1,429	1,423	1,422	1,694	1,689	1,677	1,668	1,662
Employees	16,744	17,414	19,429	18,082	16,546	16,938	16,119	15,478	14,348	13,548	11,306
User accesses	427,000	493,000	592,000	558,000	520,858	482,380	429,000	362,000	327,100	296,700	227,400

Notes:

1999 and 2000 have been restated following adoption of FRS 19.

1997 and 1998 have been restated to reflect changes to reporting user accesses in 1999.

1995 and 1996 have been restated to reflect the effect of FRS 10 issued in 1997 which required purchased goodwill and intangible assets to be capitalised and amortised through the profit and loss account, for post-retirement medical benefits made in 1992.

1993 has been restated for the subdivision of every ordinary share of 10 pence each into four new ordinary shares of 2.5 pence each in April 1994.

1993 and 1994 fixed assets have been restated to reflect the effect of UITF abstract 13 issued in 1995.

Ratios:

- 1 Book value per ordinary share represents adjusted shareholders' equity divided by the number of shares in issue after deducting shares held by employee share ownership trusts. In 1993 to 1997 shares in Reuters Holdings PLC held by Group companies are also deducted. In 1993 to 1997 shares in Reuters Holdings PLC held by Group companies are also deducted from shares in issue. Adjusted shareholders' equity is calculated after deducting the carrying value of interests in shares of Reuters Holdings PLC (1993 to 1997).
- 2 Return on tangible fixed assets represents profit after taxation as a percentage of average tangible fixed assets. The average is calculated by adding tangible fixed assets at the start and the end of each year and dividing by two.
- 3 Return on equity represents profit attributable to ordinary shareholders divided by the average adjusted shareholders' equity. The average is calculated by adding adjusted shareholders' equity at the start and the end of each year and dividing by two. In 1998 a weighted average has been used to reflect the capital reorganisation.

Cross reference guide to Form 20-F

The information in this document that is referenced in the following table, constitutes Reuters annual report on Form 20-F for the year 2003 and shall be deemed to be filed with the Securities and Exchange Commission for all purposes. No other information is included in the 2003 Form 20-F.

Item	Page
1 Identity of directors, senior management and advisers	n/a
2 Offer statistics and expected timetable	n/a
3 Key information	
Selected financial data	5
Exchange rates	89
Capitalisation and indebtedness	n/a
Reasons for offer and use of proceeds	n/a
Risk factors	40-41
4 Information on the company	
History and development of the company	6-10, 83
Business overview	6-10
Organisational structure	9, 70
Property, plant and equipment	10
5 Operating and financial review and prospects	
Operating results	27-39
Liquidity and capital resources	37-39
Research and development, patents and licences etc	36-37
Trend information	4, 27-37
Off-balance sheet arrangements	39
Tabular disclosure of contracted obligations	38
6 Directors, senior management and employees	
Directors and senior management	12-16
Compensation	17-24
Board practices	12, 15-17
Employees	11, 48
Share ownership	18-19, 22-24
7 Major shareholders and related party transactions	
Major shareholders	80, 82
Related party transactions	80-82, 87-88
Interests of experts and counsel	n/a
8 Financial information	
Consolidated accounts and other financial information	See Item 17
Litigation	10
Dividend policy	27,83
Significant changes	70
9 The offer and listing	
Offer and listing details – price history of shares	82
Plan of distribution	n/a
Markets	82
Selling shareholders	n/a
Dilution	n/a
Expenses of the issue	n/a

Cross reference guide to Form 20-F continued

Item	Page
10 Additional information	
Share capital	n/a
Memorandum and Articles of Association	83-87
Material contracts	37, 80-82, 87-88
Exchange controls	89
Taxation	89-91
Dividends and paying agents	n/a
Statement by experts	n/a
Documents on display	96
Subsidiary information	n/a
11 Quantitative and qualitative disclosures about market risk	38-39, 51-54
12 Description of securities other than equity securities	n/a
13 Defaults, dividend arrearages and delinquencies	n/a
14 Material modifications to the rights of security holders and use of proceeds	n/a
15 Controls and procedures	25
16 A Audit committee financial expert	15
16 B Code of ethics	15
16 C Principal accountant fees and services	46
17 Financial statements	
Report of the auditors	26
Consolidated profit and loss account for each of the three years in the period ended 31 December 2003 and related notes	42-48
Consolidated cash flow statement for each of the three years in the period ended 31 December 2003 and related notes	49-54
Consolidated balance sheet as of 31 December 2003, 2002 and 2001 and related notes	55-71
Accounting policies	72-73
Summary of differences between UK and US GAAP and related notes	74-79
Report on remuneration and related matters	17-24
18 Financial statements	n/a

Glossary

Term used in annual report	US equivalent or brief description
Allotted	Issued
Associates	Affiliates accounted for under the equity method
Called-up share capital	Ordinary shares, issued and fully paid
Capital allowances	Tax term equivalent to US tax depreciation allowances
Cash at bank and in hand	Cash
Class of business	Industry segment
Combined Code	A set of corporate governance principles and detailed codes of practice
Creditors	Accounts payable
Creditors: Amounts falling due after more than one year	Long-term debt
Creditors: Amounts falling due within one year	Current liabilities
Debtors	Accounts receivable
Destination (of revenue)	The geographical area to which goods or services are supplied
Freehold	Ownership with absolute rights in perpetuity
Interest receivable	Interest income
Origin (of revenue)	The geographical area from which goods or services are supplied to a third party or another geographical area
Profit	Income
Profit and loss account (statement)	Income statement
Profit and loss account reserve (under 'capital and reserves')	Retained earnings
Profit attributable to ordinary shareholders	Net income
Proposed dividend	Dividend declared by directors but not yet approved by shareholders
Share capital	Ordinary shares, capital stock or common stock issued and fully paid
Share premium account	Additional paid-in capital or paid-in surplus (not distributable)
Shares in issue	Shares outstanding
Stocks	Inventories
Tangible fixed assets	Property and equipment

Financial diary for 2004

Thursday 15 January	Recurring revenue guidance statement for first quarter 2004 issued
Tuesday 17 February	Results for year 2003 announced
Wednesday 10 March	Ordinary shares go ex-dividend ADSs go ex-dividend
Tuesday 16 March	Annual report and Form 20-F filed with SEC and UKLA and made available on Reuters website
Tuesday 23 March	Annual report/review posted to shareholders
Wednesday 21 April	First quarter trading statement issued
Thursday 22 April	Annual general meeting Time: 11.30 am Venue: Lewis Media Centre, Millbank Tower, Millbank, London SW1P 4RS
Thursday 29 April	Final dividend for 2003 payable to ordinary shareholders on the register as at 12 March 2004
Thursday 6 May	Final dividend for 2003 payable to ADS holders on the record as at 12 March 2004
Tuesday 27 July	Results for first six months of 2004 announced
Wednesday 28 July	Ordinary shares go ex-dividend ADSs go ex-dividend
Wednesday 1 September	Interim dividend for 2004 payable to ordinary shareholders on the register as at 30 July 2004
Wednesday 8 September	Interim dividend payable to ADS holders on the record as at 30 July 2004
Tuesday 19 October	Third quarter trading statement issued

Documents on display

Documents referred to in this report are filed in the US with the SEC and can be read and copied at the SEC's public reference room located at 450 Fifth Street, NW Washington, DC 20549. Information on the operation of the public reference room can be obtained in the US by calling the SEC at 1-800-SEC-0330. Reuters Group public filings with the SEC are also available on the website maintained by the SEC at www.sec.gov or through various Reuters products.

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Electronic copies

The annual report and Form 20-F and the annual review are available on the internet at www.about.reuters.com/ar2003.

Listings

London Stock Exchange (RTR.L)
and Nasdaq (RTRSY.O)

Options on ordinary shares are traded on the London Traded Options Market. The American Stock Exchange in New York and the Chicago Board Options Exchange list options on American Depository Shares of Reuters.

Corporate brokers

Cazenove & Co. Ltd
Citigroup

Financial PR

Brunswick Group Limited

Form 20-F

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Front cover from left to right: **Iraqi Shiite men with flags.** Reuters/Yannis Behrakis. **Silvio Berlusconi.** Reuters/Dylan Martinez. **Blue faced man.** Reuters/ Mike Blake. **Arnold Schwarzenegger.** Reuters/Blake Sell. **Tibetan monks.** Reuters/Guang Niu. **Tony Blair.** Reuters/Toby Melville. Back cover from left to right: **Jonny Wilkinson kicks goal.** Reuters/David Gray. **Mourner under umbrella.** Reuters/Bobby Yip. **Saddam statue.** Reuters/Goran Tomasevic. **Pope and cardinals.** Reuters/Max Rossi. **George Bush.** Reuters/Jeff Mitchell. **Palestinian boy in front of tank.** Reuters/Ahmed Jadallah.

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For more information
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Exhibit Index

- 1.1 Memorandum and Articles of Association of Reuters Group PLC (incorporated by reference to Exhibit 1.1 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 2001).
- 2.1 Deposit Agreement, dated 18 February 1998 among Reuters Group PLC, Morgan Guaranty Trust Company of New York, as depository, and all holders from time to time of American Depositary Receipts issued thereunder (incorporated by reference to Exhibit 2.2 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 1997).
- 4.1.1 Second Amended and Restated License, Maintenance and Distribution Agreement, dated October 1, 2003, between Reuters Limited and TIBCO Software Inc. (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-3 File No. 333-110304, filed by TIBCO on November 6, 2003, as amended)
- 4.1.2 Registration and Repurchase Agreement dated October 7, 2003, between Reuters Limited and TIBCO Software Inc. (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-3 File No. 333-110304, filed by TIBCO on November 6, 2003, as amended)
- 4.2 Network Services Agreement, dated 22 May 2000, between Reuters Limited and Proholdco Limited (subsequently renamed Radianz Limited) (incorporated by reference to Exhibit 4.4 to Amendment No. 1 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 2000).
- 4.3 Network Services Agreement, dated 28 September 2001, between Reuters Limited and SAVVIS Communications Corporation, as amended (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q filed by SAVVIS on 29 November 2001, Exhibit 10.57 to the Annual Report on Form 10-K filed by SAVVIS on 28 February 2003, Exhibits 10.1 and 10.2 to the Quarterly Report on Form 10-Q filed by SAVVIS on 12 August 2003, and Exhibits 10.2 through 10.5 to the Quarterly Report on Form 10-Q filed by SAVVIS on 30 October 2003).
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- [4.5.1 Amended and Restated Note Agency Agreement dated 11 October 2002 among Reuters Group PLC \(as Issuer\), Citibank, N.A. \(as Issue Agent and Principal Paying Agent\) and Dexia Banque Internationale a Luxembourg S.A. \(as Paying Agent\)](#)
- [4.5.2 Dealer Agreement dated 11 October 2002 among Reuters Group PLC \(as Issuer\), Citibank International plc \(as Arranger\) and the various Dealers named therein](#)
- [4.6 Amended and Restated Programme Agreement dated 7 November 2003 among Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\) and the various Initial Dealers named therein relating to the November 2003 update of the £1,000,000,000 Euro Medium Term Note Programme](#)
- [4.6.1 Amended and Restated Trust Deed dated 7 November 2003 between Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\) and Citicorp Trustee Company Limited \(as Trustee\)](#)
- [4.6.2 Amended and Restated Agency Agreement dated 7 November 2003 between Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\), Citibank NA \(as Agent\), Citibank AG and BNP Paribas Luxembourg \(as Paying Agents\) and Citicorp Trustee Company Limited \(as Trustee\)](#)
- [4.6.3 Pricing Supplement dated 17 November 2003 relating to the issue by Reuters Finance PLC of €500,000,000 4.625% Guaranteed Notes due 19 November 2010 under the £1,000,000,000 Euro Medium Term Note Programme](#)
- [4.6.4 Form of Permanent Global Note in respect of the issue by Reuters Finance PLC of €500,000,000 4.625% Guaranteed Notes due 19 November 2010 under the £1,000,000,000 Euro Medium Term Note Programme](#)
- [4.6.5 Pricing Supplement dated 24 March 1999 relating to the issue by Reuters Group PLC of £200,000,000 5.375% Notes due 26 November 2004 under the £1,000,000,000 Euro Medium Term Note Programme](#)
- [4.6.6 Permanent Global Note dated 24 March 1999 relating to the issue by Reuters Group PLC of £200,000,000 5.375% Notes due 26 November 2004 under the £1,000,000,000 Euro Medium Term Note Programme](#)
- [4.7 Syndicated Credit Facility Agreement, dated 25 April 2003, among Reuters Group PLC, HSBC Bank plc and J.P. Morgan plc, as arrangers, the financial institutions listed therein and HSBC Investment Bank Plc, as agent](#)
- 4.8 Agreement and Plan of Merger, dated 9 June 2002, among Instinet Group Incorporated, Daiquiri Merger Corporation and Island Holding Company, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K (File No. 000-32717) filed by Instinet Group Incorporated on 14 June 2002).
- 4.9 Amended and Restated Agreement and Plan of Merger dated 24 February 2003 by and among Reuters Group PLC, Proton Acquisition Corporation and Multex.com, Inc. (incorporated by reference to the Tender Offer Statement on Schedule TO-T filed by Reuters Group PLC on 26 February 2003).
- [4.10.1 Service Agreement of Thomas H. Glocer with Reuters Group PLC dated 10 February 2004](#)
- [4.10.2 Service Agreement of David Grigson with Reuters Group PLC dated 21 June 2001, as amended 3 March 2004](#)
- [4.10.3 Service Agreement of Devin Wenig with Reuters Group PLC dated 3 March 2004](#)

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- 4.10.6 Non-Executive Chairman Compensation Letter between Instinet Group Incorporated and Ian Strachan, dated January 1, 2003 (incorporated by reference to Exhibit 10.6 to the Annual Report on Form 10-K filed by Instinet Group on 28 March 2002)
- 4.11 Rules of The Reuters Group PLC Long -Term Incentive Plan 1997 (incorporated by reference to Exhibit 4.6 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 2001).
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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this annual report on its behalf.

Date: 16 March 2004

Reuters Group PLC
(Registrant)

By /s/ Thomas H Glocer
Thomas H Glocer
Chief Executive

Exhibit Index

- 1.1 Memorandum and Articles of Association of Reuters Group PLC (incorporated by reference to Exhibit 1.1 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 2001).
- 2.1 Deposit Agreement, dated 18 February 1998 among Reuters Group PLC, Morgan Guaranty Trust Company of New York, as depositary, and all holders from time to time of American Depositary Receipts issued thereunder (incorporated by reference to Exhibit 2.2 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 1997).
- 4.1.1 Second Amended and Restated License, Maintenance and Distribution Agreement, dated October 1, 2003, between Reuters Limited and TIBCO Software Inc. (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-3 File No. 333-110304, filed by TIBCO on November 6, 2003, as amended)
- 4.1.2 Registration and Repurchase Agreement dated October 7, 2003, between Reuters Limited and TIBCO Software Inc. (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-3 File No. 333-110304, filed by TIBCO on November 6, 2003, as amended)
- 4.2 Network Services Agreement, dated 22 May 2000, between Reuters Limited and Proholdco Limited (subsequently renamed Radianz Limited) (incorporated by reference to Exhibit 4.4 to Amendment No. 1 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 2000).
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TRANSITIONAL SERVICES AGREEMENT

BY AND BETWEEN

REUTERS LIMITED

AND

MONEYLINE TELERATE HOLDINGS

AND

OTHER MEMBERS OF THE MONEYLINE GROUP PARTY HERETO

Entered into as of June 2, 2003

Effective as of October 18, 2001

TRANSITIONAL SERVICES AGREEMENT

This TRANSITIONAL SERVICES AGREEMENT (the “**Agreement**”) is entered into as of June 2, 2003 and shall be effective as of October 18, 2001 (the “**Effective Date**”), by and between **REUTERS LIMITED**, a corporation organized under the laws of England and Wales under registered number 3918478 (“**Reuters**”), and **MONEYLINE TELERATE HOLDINGS**, a corporation organized under the laws of Delaware (“**Moneyline**”), and those members of the Moneyline Group that are signatories to this Agreement.

RECITALS

WHEREAS, Reuters America Inc. and Moneyline Network Inc. have entered into a Transitional Services and Licenses Term Sheet dated August 16, 2001 (the “**Term Sheet**”), pursuant to which Reuters has agreed to provide or cause members of the Reuters Group (as hereinafter defined) to provide certain services to Moneyline and other members of the Moneyline Group (as hereinafter defined), and Moneyline has agreed to provide or cause members of the Moneyline Group to provide certain services to Reuters and other members of the Reuters Group; and

WHEREAS, pursuant to the terms and conditions of the Term Sheet, Reuters and Moneyline have agreed to enter into this Agreement to set forth the basis upon which Reuters and Moneyline will provide such services to each other.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. The following terms shall have the following meanings:

“**Additional Content Licenses**” has the meaning set forth in the Reuters Market Data and Data Management Schedule.

“**Additional Service**” or “**Additional Services**” have the meaning set forth in Section 2.01(b) of this Agreement.

“**Add-On Software**” means the Software listed in Exhibit H hereto.

“**Affiliate**” means, with respect to any Person, any other person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by, or is under Common Control with, such Person.

“**Agreement**” means this Transitional Services Agreement, including all exhibits, schedules and attachments hereto, as the same may be amended from time to time in accordance with its terms.

“**Athena**” means the middle tier graphic add-on software offered with BridgeStation and Telerate Workstation products which includes all of the functionality of Athena Express.

“**Athena Expert**” means the high tier graphic add-on software offered with BridgeStation and Telerate Workstation products which includes all of the functionality of Athena.

“**Athena Express**” means the low tier graphic add-on software included with all BridgeStation and Telerate Workstation products.

“**Baseline Product Packages**” means the different level of content and/or functionality (depending whether sold as a Station Product or Channel Product on the one hand or as a Feed Product on the other hand) which were available on the Moneyline Closing Date as set out in Exhibit F to Reuters Cost and Resource Schedule for the Telerate Workstation, TelerateFeed, TelerateChannel, BridgeStation and BridgeFeed products.

“**Bridge**” means Bridge Information Systems, Inc.

“**Bridge Estate**” means the estate in bankruptcy of Bridge as it existed in 2001.

“**Bridge Europe & Asia**” means certain businesses and assets of Bridge in the Territory as acquired by Moneyline on the Moneyline Closing Date pursuant to the Moneyline Purchase Agreement.

“**Bridge Symbols**” has the meaning set forth in Section 16.09(a) of this Agreement.

“**Bridge Trademarks**” means the trademark rights acquired by the Reuters Group pursuant to the Reuters/Bridge Asset Purchase Agreement, including those trademarks as set forth on Exhibit E.

“**BridgeFeed SDK**” means that software development kit provided by Reuters that contains, as appropriate, the libraries, documentation, call nomenclature or protocols, visual screen builders, editors, compilers, linkers and other items essential for providing interconnection between the BridgeFeed and third-party software applications.

“**BridgeStation 6.x Components**” has the meaning set forth in Section 6.02(b)(ii) of this Agreement.

“**Bug**” means a material and reproducible failure of the Software to function substantially in conformity with published documentation, including, without limitation, electronic publications.

“**Business Day**” means a day (other than Saturday or Sunday) on which commercial banks are open for business in the relevant area in which a Service is provided or, if applicable to any activity under this Agreement that is not specific to a geography, then in New York, New York, U.S.A.

“**Channel Products**” means the BridgeChannel and TelerateChannel service offerings and any equivalent internet delivered service offerings (including Moneyline’s WebStation service) whose individual end users are authorized access in MIS (or successor system).

“**Client Agreement**” means a written agreement between Moneyline, a member of the Moneyline Group or any Permitted Distributor and a Moneyline Client which agreement contains the intellectual property protections and other terms and conditions set forth on Exhibit B.

“**Client Site Service Engineer Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“**Communication Costs**” means those net costs actually payable by a Service Provider to a Network Provider for the provisioning and delivery of telecommunications services related to the cost of the data collection network used for the global collection of data from exchanges and third party providers for the Reuters/Bridge Business, and for the delivery of data feeds from the Ticker Plant to Replicators in North America that service both Reuters and Moneyline customers and for the delivery of data feeds via the Network Provider to Shared Sites, all as actually charged to a Service Provider or a member of the Service Provider’s Group by a Network Provider.

“**Confidential Information**” has the meaning set forth in Section 16.01 of this Agreement.

“**Connectivity Management Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“**Contact Person**” has the meaning set forth in Section 13.01 of this Agreement.

“**Content Development Services**” has the meaning set forth in Reuters Market Data and Data Management Services Schedule.

“**Content License**” has the meaning set forth in Section 14.01(a) of this Agreement.

“**Content Provider**” means all exchanges and third party providers of news, information, indices, and any other data made available to Moneyline Clients, whether any such data is directly accessible by end users or is incorporated in indices, analytics products or otherwise recast, transformed, adopted or modified prior to distribution.

“**Control**” means (including the terms “**Controlled by**” and “**under Common Control**”), with respect to the relationship between or among two or more Persons, the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise, including, the ownership directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

“**CPE**” means any client premises equipment (including PCs, monitors, keyboards, mice and video switches), up to but excluding the customer’s LAN and excluding Network Provider’s equipment, on which any BridgeFeed server software or TelerateFeed server software, including JEX, is installed.

“**Customer Support Services**” has the meaning set forth in the Reuters Terminated Services Schedule and the Moneyline Help Desk/CRMC Schedule.

“**Data Access Declaration**” or “**DAD**” means a standardized report produced via MIS or any equivalent successor system delivered to customers to allow them to provide to the Service Provider a statement of access for the relevant period.

“**Data Model**” means a specialized format for organizing and storing content in the central computer system of the Ticker Plant. Examples of a Data Model include the array, the file, the record, the table, and the tree. Any Data Model is designed to organize content to suit a specific purpose so that it can be accessed and worked with in accordance with the standard practices and procedures of Reuters and the applicable members of the Reuters Group.

“**Datafeed Administration**” means the processing of quarterly DADs.

“**Derivative Work**” means a work that is based on Telerate Workstation 6.x Components and BridgeStation 6.x Components, such as a revision, enhancement, modification, a revision or modification to an enhancement or any other form in which such programs may be recast, transformed, or adapted by Moneyline.

“**Desktop Support Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“**DFC**” means a data feed concentrator that converts external protocols into TCP/IP for delivery into the Ticker Plant, regardless of the technology utilized.

“**Directives**” has the meaning set forth in Section 23.02(a) of this Agreement.

“**Disclosing Party**” has the meaning set forth in Section 16.01 of this Agreement.

“**Dispute Notice**” has the meaning set forth in Section 17.01 of this Agreement.

“**Distribution Management Services**” has the meaning set forth in the Reuters Help Desk/CRMC Schedule.

“**Documentation**” means any existing and published operator and user manuals and training materials and release notes for use in conjunction with a computer program or component supplied under this Agreement but excluding design documentation.

“**Effective Date**” has the meaning set forth in the preamble to this Agreement.

“**EJV**” means the fixed income BondAnalytics software package, including BondBrowser, BondLookup, BondSwap and BondWatch Active-X components, as included in Telerate Workstation Version 6.x and BridgeStation Version 6.x software and in Activel Version 7.1.

“**EJV Self-Sourced Content**” has the meaning set forth in Section 6.07(a) of this Agreement.

“**EMS Services**” has the meaning set forth in the Reuters Client Administration Schedule.

“**End User**” has the meaning set forth on Exhibit B.

“**End User Agreement**” has the meaning set forth on Exhibit B.

“**Enhancements**” has the meaning set forth in Section 6.04(a) of this Agreement.

“**Equipment Locations**” means the immovable properties owned or occupied by the Service Provider in which the Service Recipient may locate equipment pursuant to Reuters Facilities Services Schedule or Moneyline Facilities Services Schedule.

“**Equipment Location Services**” has the meaning set forth in the Reuters Facilities Services Schedule and the Moneyline Facilities Services Schedule.

“**Equipment Sourcing and Procurement Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“**Exchange**” means any organization, association, or group of persons which constitutes, maintains, or provides a marketplace or facilities for bringing together purchasers and sellers of securities, and includes the marketplace and facilities maintained by such an exchange.

“**Exhibit A Content**” has the meaning set forth in the Reuters Transitional Service, Market Data Services and Data Management Schedule.

“**Exclusive Site**” has the meaning set forth in Section 7.02(a) of this Agreement.

“**Extraordinary Costs**” means any documented incremental out of pocket amounts incurred by a Service Provider or a member of the Service Provider’s Group in connection with (i) Additional Services; or (ii) Services which the Service Provider is not otherwise being compensated for under this Agreement and which would not otherwise have been incurred at the time it was incurred if the Service Provider or a member of the Service Provider’s Group was not providing such Services.

“**Fair Market Value**” means the price which could be negotiated in an arm’s-length free market transaction for cash, between a willing seller and a willing buyer, neither of which is under compulsion or pressure to complete the transaction.

“**Facilities**” means immovable properties owned or occupied by Reuters or a member of the Reuters Group or Moneyline or a member of the Moneyline Group, as the case may be.

“**Facility Location Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“Fee Liabile Software” means any version of the following software licensed by Reuters to Moneyline pursuant to Article VI of this Agreement: Telerate Workstation, TelerateFeed, Telerate Channel, BridgeStation and BridgeFeed.

“Feed Products” means the versions of the BridgeFeed and TelerateFeed service offerings licensed hereunder.

“Financial Expert” has the meaning set forth in Section 17.02 of this Agreement.

“Fixed Costs” means Reuters FTE Fully Loaded Costs for the Reuters Fixed Cost Services plus Ticker Plant Costs (except in relation to the Ticker Plant Costs already accounted for within the Reuters FTE Fully Loaded Costs so as to avoid double counting).

“FTE Fully Loaded Cost” means an amount equal to the sum of: (i) the salary of the FTE, (ii) a percentage mark-up of thirty (30%) percent of the FTE salary, and (iii) a monthly charge of seven hundred and fifty dollars (\$750) per FTE to cover all overhead. For the avoidance of doubt, (ii) and (iii) shall remain fixed for the Term of this Agreement.

“Full Time Equivalent” or **“FTE”** means the full time equivalent of the output of a person (other than a Reuters Transitional Employee) engaged by Reuters or a member of the Reuters Group or Moneyline or a member of the Moneyline Group, as the case may be, who works thirty-five (35) or forty (40) hours per week, in conformance with the appropriate local labor standards, and performs the Reuters Transitional Services or Moneyline Transitional Services, as applicable.

“Group” means with respect to any Person, any direct and indirect subsidiaries of such Person from time to time, together, with such Person as are from time to time operating as authorized distributors in territories due to the local law not permitting such Person to operate through a subsidiary in those territories. For the purpose of this definition, a company is a “subsidiary” of a Person if such Person owns at least fifty percent (50%) of the voting stock of that company or otherwise has the right to exercise Control over such company.

“Indemnified Party” has the meaning set forth in Section 23.02(c) of this Agreement.

“Indemnified Tax” means any taxes, levies, duties, imposts, charges of any nature whatsoever including, without limitation, any sales, use, transfer, value-added taxes, property and payroll taxes incurred in connection with the provision of Services (or receipt of any fees) by the Service Provider or Third Party Service Provider hereunder (other than taxes based upon net income) to the extent the Service Provider or applicable Third Party Service Provider is prohibited by law from obtaining a full refund or credit of such tax.

“Industry Expert” means the mutually agreed expert knowledgeable with respect to the technical subject matters relating to Article III.

“Initial Moneyline Invoice” has the meaning set forth in the Moneyline Cost and Resource Schedule.

“Intellectual Property Rights” means any rights available under patent, copyright, including trademark, service mark, trade name, or trade secret law or any other statutory provision or common law doctrine with respect to designs, formulas, algorithms, procedures, methods, techniques, ideas, know-how, programs, subroutines, tools, inventions, creations, improvements, works of authorship, other similar materials, and all recordings, graphs, drawings, reports, analyses, other writings, and any other embodiment of the above, in any form whether or not specifically listed herein, which may subsist in any part of the world, for the full term of such rights including any extension to the term of such rights.

“Inventory Management and Distribution Services” has the meaning set forth in the Reuters Terminated Services Schedule.

“Invoicing Party” has the meaning set forth in Section 8.02 of this Agreement.

“Invoicing Services” has the meaning set forth in the Reuters Terminated Services Schedule.

“IOE” means the licensed versions of the institutional order entry capabilities included in BridgeStation Version 6.x, Telerate Workstation Version 6.x and Bridge Active 1 Version 7.1, including access to the Reuters global routing service (provided that access to counterparties will be limited to institutional order entry only, and not include receipt of orders).

“Licensed Users” means those Persons authorized or permitted by Moneyline or a member of the Moneyline Group or a Permitted Distributor (including any of their respective employees) directly or indirectly to use any Fee Liable Software or Add-On Software, and shall be calculated in accordance with the methodology set forth on Exhibit G of the Reuters Cost and Resource Schedule.

“Loss” or **“Losses”** have the meaning set forth in Section 12.09(a) of this Agreement.

“Management of Data Collection and Distribution Systems” has the meaning set forth in the Reuters Technical Operations Schedule.

“Mandatory Change” means any change mandated by a Content Provider to existing Shared Content that must be implemented in order to maintain existing data sets, accesses or reporting requirements. For example, a feed upgrade would only become a Mandatory Change when the older feed is no longer available, not when the updated feed is launched.

“Market Data Services” has the meaning set forth in the Reuters Market Data and Data Management Schedule.

“Migration Services” has the meaning set forth in Section 15.07(i) of this Agreement.

“MIS” means Reuters proprietary legacy customer management system acquired from Bridge which manages components of order management, provisioning, permissioning, reporting, and billing of installed systems and which interacts with Vantive (or successor system) and the Ticker Plant.

“MIS Services” has the meaning set forth in the Reuters Shared Administrative Systems Schedule.

“Moneyline” has the meaning set forth in the Recitals.

“Moneyline Allocation” means a percentage of the Fixed Costs, which percentage shall be equal to Moneyline Ticker Plant Users divided by the Total Ticker Plant Users, multiplied by one-hundred (100). The Moneyline Allocation from the Moneyline Closing Date until the first Recalibration Date following the Effective Date will be calculated based on the actual user counts existing on the Moneyline Closing Date.

“Moneyline Client” means any Person to whom Moneyline, a member of the Moneyline Group or any Permitted Distributor directly or indirectly makes any of the Software, EJV Self-Sourced Content or Reuters Transitional Services available.

“Moneyline Closing Date” means October 18, 2001.

“Moneyline Exclusive Content” means any content disseminated through the Reuters Network for which a member of the Moneyline Group, but not a member of the Reuters Group, has obtained a Content License.

“Moneyline Group” means, with respect to Moneyline, its Group.

“Moneyline IP” has the meaning set forth in Section 6.11 of this Agreement.

“Moneyline Purchase Agreement” means that purchase agreement dated August 23, 2001 pursuant to which Moneyline Network Inc. agreed to purchase certain assets and business operations of Bridge

“Moneyline Transitional Services” has the meaning set forth in Section 2.01(a)(ii) of this Agreement.

“Moneyline TRS System” means a mechanism in which discrete log-in information is captured for Moneyline WDK products.

“Monthly Ticker Plant Charges” has the meaning set forth in Reuters Cost and Resource Schedule.

“Moneyline Ticker Plant User” has the meaning set forth in Section 3(A)(iii) of the Reuters Cost and Resource Schedule.

“Negotiation Period” has the meaning set forth in Section 17.01 of this Agreement.

“Network Provider” means any third party provider of telecommunication services for the collection of data to and dissemination from the network.

“**Non-Exhibit A Content**” has the meaning set forth in the Reuters Transitional Service, Market Data Services and Data Management Schedule.

“**North America**” means the United States, Canada, Bermuda, Puerto Rico, the Caribbean and the Bahamas.

“**North American Moneyline Allocation**” means a percentage of the Communication Costs which percentage shall be equal to the number of Moneyline Ticker Plant Users in North America divided by the Total Ticker Plant Users in North America, multiplied by one- hundred (100). The North American Moneyline Allocation from the Moneyline Closing Date until the first Recalibration Date following the Effective Date shall be calculated based on the actual user counts existing in North America on the Moneyline Closing Date.

“**Object Code**” of a computer program means the program in a form for operation on computer equipment.

“**Office Automation Network Services**” has the meaning set forth in the Reuters Technical Operations Schedule.

“**Order Processing**” means processing client orders through MIS and/or Vantive (or successor) system.

“**Other Products**” means legacy Telerate service offerings as well as other service offerings directly or indirectly accessing or utilizing Feed Products.

“**Outsourcing Relationship**” has the meaning set forth in Section 2.02(a) of this Agreement.

“**Paying Party**” has the meaning set forth in Section 8.02 of this Agreement.

“**Permitted Distributors**” means distributors operating in the Territory who redistribute to end users the products and services licensed to Moneyline and who have agreed to the intellectual property protections and other terms and conditions set forth on Exhibit A.

“**Permitted Distributor Agreement**” has the meaning set forth on Exhibit A.

“**Person**” means any corporation, partnership, joint venture, limited liability company, organization, entity, authority or individual.

“**Person Day**” means a seven (7) or eight (8) hour Business Day, in conformance with the appropriate local labor standards.

“**Planning Engineering Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“**Prior Invoices**” has the meaning set forth in the Reuters Cost and Resource Schedule.

“Prioritization Amount” has the meaning set forth in the Reuters Cost and Resource Schedule.

“Privacy Policy” has the meaning set forth in Section 23.03 of this Agreement.

“Production Data Maintenance Services” has the meaning set forth in the Reuters Market Data and Data Management Schedule.

“Recalibration Date” means October 18th and April 18th of each year commencing as of the Moneyline Closing Date and continuing throughout the Term.

“Receiving Party” has the meaning set forth in Section 16.01 of this Agreement.

“Relationship Management Services” has the meaning set forth in the Reuters Relationship Management Services Schedule.

“Relationship Manager” has the meaning set forth in the Reuters Relationship Management Services Schedule.

“Releases” has the meaning set forth in Section 6.04(a) of this Agreement.

“Relevant Intellectual Property” means all Intellectual Property Rights which are from time to time:

(i) owned by a Service Recipient; or

(ii) used by a Service Recipient under license from a third party, where such Service Recipient has the right to grant a sublicense to use the same to the Service Provider, or can cause such right to grant a sublicense (or a direct license from the licensor).

“Replicator” means a regionally placed store and forward distribution device that client site servers connect to for distribution of market data outbound and inquiry response data inbound to the Ticker Plant. A Replicator may either be a device that receives IP unicast or multicast (also known as MRR, for purposes hereof to be referred to as a Replicator).

“Requisite Consent” has the meaning set forth in the Reuters Facilities Services Schedule and the Moneyline Facilities Services Schedule.

“Reuters” has the meaning set forth in the Recitals.

“Reuters EU/AP Allocation” has the meaning set forth in the Moneyline Cost and Resource Schedule.

“Reuters Exclusive Content” means any content disseminated through the Reuters Network for which a member of the Reuters Group, but not a member of the Moneyline Group, has obtained a Content License.

“Reuters Fixed Cost Services” means, until such services are terminated, the services provided by Reuters or members of the Reuters Group as set forth in the Reuters Software Support and Software Development Schedule, Reuters Market Data Services and Data Management Schedule, Reuters Help Desk/CRMC Schedule, Reuters Client Administration Schedule, Reuters Relationship Management Services Schedule, Reuters Shared Administrative Systems Schedule and the Reuters Terminated Services Schedule, the provision of content feed from the Ticker Plant pursuant to which Moneyline shall be invoiced on a monthly basis as set forth in Reuters Cost and Resource Schedule.

“Reuters Group” means, with respect to Reuters, its Group.

“Reuters Instrument Codes” or **“RICs”** has the meaning set forth in Section 6.09 of this Agreement.

“Reuters Network” or **“Network”** means the telecommunications and information processing facilities utilized by or on behalf of the Reuters Group to collect, process and distribute data as part of the Reuters Transitional Services.

“Reuters Office Automation Network” means the Reuters internal network supporting access to the administrative systems that constitute part of the MIS Services and Vantive Services, and access to those areas of the Reuters intranet specified in Section 4 of the Reuters Technical Operations Schedule.

“Reuters Second Level Support Services” has the meaning set forth in the Reuters Help Desk/CRMC Schedule.

“Reuters Ticker Plant User” shall have the meaning set forth in Section 3(A)(iii) of the Reuters Cost and Resource Schedule.

“Reuters Transitional Employees” has the meaning set forth in Section 5.01 of this Agreement.

“Reuters Transitional Services” has the meaning set forth in Section 2.01(a)(i) of this Agreement.

“Reuters UTX System” means a mechanism in which discrete log-in information is captured for products which directly access content from the Ticker Plant.

“Reuters/Bridge Asset Purchase Agreement” means that purchase agreement dated May 3, 2001 pursuant to which Reuters S.A. and Reuters America Inc. agreed to purchase certain assets and business operations of Bridge

“Reuters/Bridge Business” means the business of Bridge acquired by Reuters pursuant to the Reuters/Bridge Asset Purchase Agreement.

“Reuters/Bridge Closing Date” means September 28, 2001.

“Revised Invoices” has the meaning set forth in the Reuters Cost and Resource Schedule.

“Separately Permissionable” means the ability of Reuters or the applicable member of the Reuters Group to restrict access to content as between Moneyline Ticker Plant Users and Reuters Ticker Plant Users.

“Server Farm Management Services” has the meaning set forth in the Moneyline Help Desk/CRMC Schedule.

“Service” or **“Services”** means any service or services provided by Reuters or any member of the Reuters Group (or any Third Party Service Provider on behalf of Reuters or any member of the Reuters Group) or by Moneyline or any member of the Moneyline Group (or any Third Party Service Provider on behalf of Moneyline or any member of the Moneyline Group) pursuant to this Agreement, as described on the applicable Schedules attached to this Agreement, including Reuters Transitional Services, Moneyline Transitional Services and Additional Services (each as defined herein).

“Service Levels” means the service levels set forth in Section 3 below and in the Schedules attached hereto, as may be supplemented, amended or modified from time to time upon the mutual written agreement of the parties.

“Service Provider” means Reuters, or a member of the Reuters Group, Moneyline or a member of the Moneyline Group or a Third Party Service Provider which provides the applicable Services in this Agreement.

“Service Recipient” means (i) Reuters or any member of the Reuters Group which receives any Moneyline Transitional Services or (ii) Moneyline or any member of the Moneyline Group which receives any Reuters Transitional Services provided pursuant to this Agreement.

“Service Transfer” has the meaning set forth in Section 2.02(b) of this Agreement.

“Shared Administrative Systems” means those MIS, Vantive and related systems applicable to the Service provided in connection with the Reuters Shared Administrative Systems Schedule.

“Shared Content” means any content disseminated through the Reuters Network for which both Reuters or a member of the Reuters Group and Moneyline or a member of the Moneyline Group have obtained Content Licenses and such content is authorized to be received by clients of both Moneyline or a member of the Moneyline Group and Reuters or a member of the Reuters Group.

“Shared Site” has the meaning set forth in Section 7.01 of this Agreement.

“Software” means computer programs or any components thereof licensed to Moneyline pursuant to Sections 6.02(a), 6.02(b), 6.04(a), and 6.06 of this Agreement.

“**Software Development Services**” shall have the definition set forth in Reuters Software Support and Software Development Schedule.

“**Software Support Services**” shall have the definition set forth in Reuters Software Support and Software Development Schedule.

“**Software License Term**” means the following, subject in each case to earlier termination in accordance with this Agreement:

(i) for Add-On Software, TelerateFeed and TelerateFeed SDK, BridgeFeed and BridgeFeed SDK, and Telerate Channel, the period commencing on the Moneyline Closing Date and ending on the date that is three years from the Effective Date;

(ii) perpetual, in the case of Telerate Workstation Version 6.x, and BridgeStation Version 6.x;

(iii) for all other Software listed on Schedules 6.02(a)(i) and 6.02(b)(i), the lesser of the period commencing on the Moneyline Closing Date and ending on the date that is four years from the Effective Date and the period during which Reuters is providing the services set forth in Reuters Market Data Services and Data Management Schedule in connection with which the Software is designed to operate; and

(iv) with respect to the Software set forth on Exhibit I, for the extended term set forth in Section 6.06.

“**Source Code**” of a computer program means the program written in a human-readable programming language, including all commentary and procedural code such as job control language statements, in a form intelligible to trained programmers and capable of being translated into object code for operation on computer equipment through assembly or compiling, and accompanied by documentation, including all available flow charts, schematics, statements of principles of operations, and architecture standards, describing the data flows, data structures, control logic of the program, make files and third party library requirements in sufficient detail to enable a trained programmer through study of such documentation to maintain and/or modify the program without undue experimentation; provided, however, that the term Source Code as used in this Agreement means such Source Code as it exists from time to time throughout the Software License Term for the applicable Software.

“**Station Products**” means BridgeStation and Telerate WorkStation service offerings.

“**TAM Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“**Technical Account Manager**” means a representative of either Reuters or Moneyline that is charged with providing technical support for their respective clients.

“**Technical Support**” has the meaning set forth in the Moneyline Technical Operations Schedule.

“**Technology**” has the meaning set forth in Section 16.08 of this Agreement.

“**Telerate Business**” means (i) for purposes of Articles III and V of the Agreement, certain businesses and assets of Bridge as acquired by Moneyline on the Moneyline Closing Date pursuant to the Moneyline Purchase Agreement including Bridge Europe & Asia, and (ii) for purposes of Article VI, the global sale, delivery and maintenance of data and desktop real-time information and analytics services for foreign exchange, fixed income securities, equities and commodities.

“**Telerate Content**” has the meaning set forth in Section 10.01.

“**Telerate Workstation 6.x Components**” has the meaning set forth in Section 6.02(a)(ii) of this Agreement.

“**TelerateFeed SDK**” means that software development kit provided by Reuters that contains, as appropriate, the libraries, documentation, call nomenclature or protocols, visual screen builders, editors, compilers, linkers and other items essential for providing interconnection between the TelerateFeed and third-party software applications.

“**Term**” has the meaning set forth in Section 15.01 of this Agreement.

“**Term Sheet**” has the meaning set forth in the recitals to this Agreement.

“**Terminated Services**” has the meaning set forth in the Reuters Terminated Services Schedule.

“**Territory**” means the geographic locations set forth on Exhibit C.

“**Third Party Service Provider**” has the meaning set forth in Section 2.02 of this Agreement.

“**Ticker Plant**” means two substantially redundant ticker plants through which content is distributed to Moneyline or a member of the Moneyline Group or its or their clients and the associated data collection networks used for the global collection of data from exchanges and third party content providers. The Ticker Plant is currently located in St. Louis, MO, but Reuters shall have the right to change the location of the Ticker Plant from time to time upon not less than 180 days prior written notice to Moneyline, and all costs relating to or arising from such move shall be borne exclusively by Reuters.

“**Ticker Plant Costs**” means the amounts actually incurred by Reuters or any member of the Reuters Group:

- (i) to maintain and operate the Ticker Plant, consisting of the following costs: (A) a charge of \$8,281,877 per year for three (3) years representing the depreciation of the fixed assets in the Ticker Plant acquired in the Reuters/Bridge Asset Purchase Agreement; (B) any non-discretionary capital expenditures incurred in the maintenance and operation of the Ticker Plant amortized over a three (3) year period (but strictly limited to those expenditures necessary to provide the Reuters Transitional Services hereunder); (C) Communication Costs for the data

collection networks (including any co-location facilities) used for the global collection of data from exchanges and third party content providers excluding Network Provider charges directly related to the collection of Reuters Exclusive Content (but without double-counting on Communication Costs otherwise invoiced to Moneyline) and (D) rent, depreciation and/or maintenance charges solely for those facilities, or part thereof, in which the physical infrastructure relating to the Ticker Plant is located (but without double-counting on otherwise invoiced FTE Fully Loaded Costs); (E) Communications Costs solely related to the communications between the facilities identified in (D) and incurred for the purpose of operating the Ticker Plant (but without double counting on otherwise invoiced Communication Costs); (F) procurement of third party software and hardware maintenance contracts required for the operation of the Ticker Plant; (G) such miscellaneous other operating expenses which from time to time may be incurred by Reuters in the ordinary course of operating the Ticker Plant; and

- (ii) all Reuters FTE Fully Loaded Costs incurred in relation to Reuters Technical Operations Schedule and any Reuters FTE Fully Loaded Costs related to Software Development Services incurred for work performed in relation to the Ticker Plant.

“Total Ticker Plant Users” means the sum of Moneyline Ticker Plant Users and Reuters Ticker Plant Users.

“Transitional Employee Costs” means FTE Fully Loaded Cost for each Reuters Transitional Employee.

“Trouble Ticket” means a reported Service problem entered into the Vantive (or successor) system, which requires the provision of Services pursuant to an applicable Schedule.

“Vantive” means a customer relations management system that allows for the integration of all generally available information generated in relation to customer-related activities including order entry and order provisioning.

“Vantive Services” has the meaning set forth in the Reuters Shared Administrative Systems Schedule.

“WDK” means the Bridge Internet Toolkit or equivalent Reuters or Moneyline website development kit. Each WDK shall provide HTML, DHTML or similar access to Licensed Users. For the avoidance of doubt, WDK Users do not receive real time tick-by-tick updates.

“Work Order” means a request for work entered into the Vantive (or successor) system, which requires the provision of Services pursuant to an applicable Schedule.

In addition the following Schedules will have the meaning as set forth below:

Reuters Client Administration Schedule shall mean Schedule 2.01(a)(i)(1) hereto;

Reuters Market Data and Data Management Schedule shall mean Schedule 2.01(a)(i)(2) hereto;

Reuters Facilities Services Schedule shall mean Schedule 2.01(a)(i)(3) hereto;

Reuters Help Desk/CRMC Schedule shall mean Schedule 2.01(a)(i)(4) hereto;

Reuters Relationship Management Services Schedule shall mean Schedule 2.01(a)(i)(5) hereto;

Reuters Shared Administrative Systems Schedule shall mean Schedule 2.01(a)(i)(6) hereto;

Reuters Software Support and Software Development Schedule shall mean Schedule 2.01(a)(i)(7) hereto;

Reuters Technical Operations Schedule shall mean Schedule 2.01(a)(i)(8) hereto;

Reuters Terminated Services Schedule shall mean Schedule 2.01(a)(i)(9) hereto;

Moneyline Facilities Services Schedule shall mean Schedule 2.01(a)(ii)(1) hereto;

Moneyline Help Desk/CRMC Schedule shall mean Schedule 2.01(a)(ii)(2) hereto;

Moneyline Technical Operations Schedule shall mean Schedule 2.01(a)(ii)(3) hereto;

Reuters Service Level Schedule shall mean Schedule 3.01 hereto;

Moneyline Service Level Schedule shall mean Schedule 3.02 hereto;

Reuters Cost and Resource Schedule shall mean Schedule 8.01(A) hereto;

Moneyline Cost and Resource Schedule shall mean Schedule 8.01(B) hereto;

Section 1.02. Interpretation, Terms Generally, Rules of Construction.

(a) The Schedules shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules or any other Exhibit or attachment to this Agreement. To the extent that there is an inconsistency between the terms of the body of this Agreement and the Schedules, the body of this Agreement shall prevail, unless the Schedule expressly states that it is to prevail over the terms of the body of this Agreement.

(i) In construing this Agreement, unless the context otherwise requires:

(1) all defined terms shall apply equally to both the plural as well as the singular forms of the terms defined; any pronoun shall also include the corresponding masculine, feminine and neuter forms;

(2) unless otherwise stated, the words "herein", "hereunder" and other similar words refer to this Agreement as a whole and not to a particular Section or other subdivision;

(3) references to “Sections” and “Schedules” are to sections of, and schedules to, this Agreement;

(4) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

(5) any reference to a “day” (including within the phrase “Business Day”) shall mean a period of twenty-four (24) hours running from midnight to midnight;

(6) references to times are to local times in New York, New York, unless otherwise stated;

(7) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, notated or supplemented (other than in breach of the provisions of this Agreement) at any time;

(8) headings and titles are for convenience only and do not affect the interpretation of this Agreement;

(9) a reference in relation to any particular jurisdiction to any specific legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any other jurisdiction be treated as a reference to any analogous term in that jurisdiction;

(10) any list or examples following the word “including” shall be interpreted without limitation to the generality of the preceding words;

(11) general words shall not be given a restrictive meaning, where introduced by the word “other”, by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things, nor by reason of the fact that they are followed by particular examples intended to be embraced by the general words; and

(12) references to “\$” are to U.S. Dollars.

Section 1.03. Agreement of the Reuters Group and Moneyline Group. For the avoidance of doubt, this Agreement (i) is entered into by Reuters for the benefit of the Reuters Group and (ii) is entered into by Moneyline for the benefit of the Moneyline Group.

ARTICLE II

PROVISION OF SERVICES

Section 2.01. Services.

(a) Services. Beginning on the Effective Date of this Agreement and for the Term or until the termination of the applicable Service as provided in Article XV hereof:

(i) Reuters or any member of the Reuters Group shall provide or cause to be provided to Moneyline or any member of the Moneyline Group the Services listed in the attached Schedules 2.01(a)(i)(1)-(9) to this Agreement (the **“Reuters Transitional Services”**).

(ii) Moneyline or any member of the Moneyline Group shall provide or cause to be provided to Reuters or any member of the Reuters Group the Services listed in the attached Schedules 2.01(a)(ii)(1)-(3) to this Agreement (the **“Moneyline Transitional Services”**).

(iii) The Service Provider may not avoid its obligation to provide a Reuters Transitional Service or Moneyline Transitional Service, as applicable, on the basis that the relevant schedule setting forth such Service does not set forth with sufficient specificity the tasks that are a necessary component of the Reuters Transitional Service or Moneyline Transitional Service, as applicable.

(b) **Additional Services.** From time to time after the Effective Date, the parties hereto may identify additional services to become Reuters Transitional Services or Moneyline Transitional Services, as the case may be (any such service, individually, an **“Additional Service,”** and, collectively, **“Additional Services”**). In order for a service not covered under Section 2.01(a) to become a Reuters Transitional Service or a Moneyline Transitional Service, as the case may be, the party identifying a proposed Additional Service shall provide the other party a reasonably detailed written notice setting forth the proposed Additional Service. Within ten (10) Business Days of receipt of such notice, the other party shall notify the requesting party whether it agrees to provide or receive, as the case may be, the proposed Additional Service such agreement not to be unreasonably withheld and if so, any requirements necessary in order to provide or receive, as the case may be, the proposed Additional Service. Subject to agreement of the parties, the parties shall create a Schedule for each Additional Service setting forth a description of such Additional Service, the time period during which such Additional Service will be provided, the reasonable charge, if any, for such Additional Service and any other terms applicable thereto. The parties’ agreement to the provision of an Additional Service shall be evidenced by the completion and execution of the relevant Additional Service Schedule, and such Additional Service thereupon shall be deemed to be a Reuters Transitional Service or Moneyline Transitional Service, as the case may be, under this Agreement.

Section 2.02. **Third Party Service Providers.** At its option, a Service Provider may from time to time cause any Service or any portion of a Service that it is required to provide hereunder to be provided by any Person that is not a member of the Service Provider’s Group (a **“Third Party Service Provider”**) subject to the following conditions:

(a) If and to the extent the Service Provider is transferring, licensing or assigning to the Third Party Service Provider performance of a Service for the Service Provider’s own benefit as well as for the benefit of the Service Recipient (an **“Outsourcing Relationship”**), then consent of the Service Recipient shall not be required for any such transfer, license or assignment; provided, however, if the Service Provider is transferring, licensing or assigning to the Third Party Service Provider performance of the Reuters Transitional Services set forth in the Reuters Market Data and Data Management Schedule and the Reuters Software Support and Software Development Schedule then consent of the Service Recipient shall be required which consent shall not be unreasonably withheld or delayed.

(b) If and to the extent the Service Provider is transferring, licensing or assigning to the Third Party Service Provider performance of a Service but the Service Provider is not itself receiving such Service from the Third Party Service Provider (a “**Service Transfer**”), then consent of the Service Recipient shall be required for any such transfer, license or assignment, but such consent shall not be unreasonably withheld or delayed.

(c) Regardless of whether the Service Provider transfers, licenses or assigns a Service as part of an Outsourcing Relationship or a Service Transfer, the Service Provider shall remain responsible for maintenance of the appropriate Service Levels under this Agreement with respect to such Service and shall remain liable to the Service Recipient for such Service in the same manner and to the same extent as if the Service Provider itself were continuing to provide the Service.

ARTICLE III

SERVICE LEVELS

Section 3.01. Service Levels for Reuters Transitional Services. Reuters or the applicable member of the Reuters Group shall provide or cause to be provided to Moneyline or the applicable member of the Moneyline Group any Reuters Transitional Service provided hereunder in accordance with Schedule 3.01 attached hereto. In the event a Service Level is not indicated on Schedule 3.01 or any other Schedule attached hereto, the Service Level shall be determined in the following manner:

(a) if such Reuters Transitional Service being provided hereunder is also being provided by Reuters or a member of the Reuters Group to customers of the Reuters/Bridge Business, such Reuters Transitional Service shall be provided to customers of the Telerate Business in a manner substantially consistent with the standard at which such service is provided by Reuters or such member of the Reuters Group to similarly situated customers of the Reuters/Bridge Business;

(b) if such Reuters Transitional Service being provided hereunder is no longer being provided by Reuters or a member of the Reuters Group to customers of the Reuters/Bridge Business, such Reuters Transitional Service shall be provided in a manner substantially consistent with the standard at which such Service was provided to customers of the Reuters/Bridge Business prior to the date on which such Service was discontinued;

(c) if such Reuters Transitional Service being provided hereunder has never been provided to customers of the Reuters/Bridge Business, such Reuters Transitional Service shall be provided in a manner substantially consistent with the standard at which such service was provided by Bridge to customers of the Telerate Business on the Moneyline Closing Date; and

(d) if such Reuters Transitional Service is being provided by a Third Party Service Provider under the same agreement or arrangement by which such Third Party Service Provider was providing such service prior to the Moneyline Closing Date was executed, Reuters shall:

(i) use its commercially reasonable efforts to ensure that the Third Party Service Provider provides the Reuters Transitional Service in a manner consistent with the terms of its service agreement with Reuters; or

(ii) at the expense of Moneyline, reasonably cooperate with Moneyline in independently contracting for such Reuters Transitional Service.

Section 3.02. Service Levels for Moneyline Transitional Services. Moneyline or the applicable member of the Moneyline Group shall provide or cause to be provided to Reuters or the applicable member of the Reuters Group any Moneyline Transitional Service provided hereunder in accordance with Schedule 3.02 attached hereto. In the event a Service Level is not indicated on Schedule 3.02 or any other Schedule attached hereto, the Service Level shall be determined in the following manner:

(a) if such Moneyline Transitional Service being provided hereunder is also provided to customers of the Telerate Business, such Moneyline Transitional Service shall be provided to customers of Reuters/Bridge Business in a manner substantially consistent with the standard at which such service is provided to similarly situated customers of the Telerate Business;

(b) if such Moneyline Transitional Service being provided hereunder is no longer provided to customers of the Telerate Business, such Moneyline Transitional Service shall be provided in a manner substantially consistent with the standard at which such Service was provided prior to the date on which such Service was discontinued;

(c) if such Moneyline Transitional Service being provided hereunder has never been provided to customers of the Telerate Business, such Moneyline Transitional Service shall be provided in a manner substantially consistent with the standard at which such service was provided by Bridge at the time the Reuters/Bridge Asset Purchase Agreement was executed; and

(d) if such Moneyline Transitional Service is being provided by a Third Party Service Provider under the same agreement or arrangement by which such Third Party Service Provider was providing such service prior to the date the Reuters/Bridge Asset Purchase Agreement was executed, Moneyline shall:

(i) use its commercially reasonable effort to ensure that the Third Party Service Provider provides the Moneyline Transitional Service in a manner consistent with the terms of its service agreement with Moneyline, or

(ii) at the expense of Reuters, reasonably cooperate with Reuters in independently contracting for such Moneyline Transitional Service.

Section 3.03. Transitional Nature of Services; Changes. Both parties acknowledge that the Services provided hereunder are transitional in nature and that a Service Provider may make changes from time to time in the manner of performing the Services (including, but not limited to, changes to data content and functionality), so long as the Service Provider is making similar changes in performing similar services for its own use, and so long as such changes do not materially and adversely impact the Service Level provided by such Service Provider for

such Service. Further, to the extent that the Service Recipient requests changes to specifications, architecture, networks or system or desktop configurations of its clients, the Service Recipient shall immediately notify in writing the Service Provider of any such change requests, to the extent that such changes will affect the Service Provider's network or systems or the Service Provider's provision of the Services; provided, however, that the Service Recipient shall use commercially reasonable efforts to ensure that the clients of such Service Recipient shall utilize the specifications, architecture, networks or system or desktop configurations supported by the Service Provider in the applicable location generally for the provision of Services to its or their clients.

Section 3.04. Obligations of the Service Recipient. Specific obligations of a Service Recipient with respect to any Service may be set forth in the applicable Schedule. Where no specific obligations for the Service Recipient are set forth in the applicable Schedule, such Service Recipient shall use its reasonable efforts, in connection with receiving any such Service, to follow the reasonable policies, procedures and practices of the Service Provider applicable to the Service in effect from time to time and shall also provide information and documentation reasonably requested by the Service Provider to perform the Service and make available, as reasonably requested by the Service Provider, sufficient resources and timely decisions, approvals and acceptances to permit the Service Provider to meet its obligations hereunder. If a Service Provider implements any change to a Service that requires a Service Recipient to introduce other changes to its own operations or requires the Service Recipient's customers to implement any changes (including, for example, software or communications upgrades) in order to maintain product functionality or compatibility, so long as the Service Provider is making similar changes in performing similar services for its own use and so long as such changes do not materially and adversely impact the Service Level provided by such Service Provider for such Service, then the Service Recipient will be required to implement, or cause its customers to implement, the same changes at its (or their) expense within ninety (90) days of notice.

Section 3.05. Modifications to Service Levels. The parties shall utilize the necessary measurement and monitoring tools and procedures required to measure and report Service Levels for mutually agreed Services as set forth on the applicable Service Schedule. On a quarterly basis, the parties shall meet to discuss and evaluate the actual performance of the mutually agreed Services against such Service Levels.

Section 3.06. Service Level Credits. In the event any Service Provider fails to meet a Service Level requirement(s), the Service Recipient shall be entitled to receive appropriate monetary damages based on standards of materiality, proportionality, notification and escalation procedures. The methodologies for determining such damages are set forth on Schedules 3.01 and 3.02 hereto, and the parties agree to follow all such methodologies.

ARTICLE IV

ACCESS AND ASSISTANCE

Section 4.01. Service Recipient to Provide Access. The Service Recipient shall, at its own cost and expense, promptly provide and, where applicable, use commercially reasonable efforts to ensure that its customers promptly provide, the Service Provider with all assistance (including the provision of access to and, where relevant, rights to use, personnel, computer systems, software, databases, data, know-how and other information) as is reasonably necessary to enable the applicable Service Provider to provide the applicable Services in accordance with the terms of this Agreement. Such access shall include the following:

(a) the Service Recipient shall permit and authorize the Service Provider and its employees to contact and work directly with the Service Recipient's clients to the extent necessary to fulfill the Service Provider's obligations under the Agreement; provided, however, that none of the Service Provider, its employees or its agents providing Services hereunder shall, when communicating with the Service Recipient's clients in the course of providing the Services, disparage, slander or libel the Service Recipient or any product or service provided by the Service Recipient; and provided further, that the Service Provider will, and will cause that it and its employees will, at all times comply with the Service Recipient's reasonable and standard security and operational procedures of which the Service Provider has been notified in advance; and

(b) the Service Recipient shall provide the Service Provider with all client, network and system information to be necessary to contact, and work directly with, the Service Recipient's clients to the extent reasonably necessary for the Service Provider to fulfill its obligations under the Agreement.

If a Service Provider is unable to obtain such access to information or assistance, or is denied such rights (and has complied with its obligations in relation to obtaining them), then the Service Provider shall promptly notify the Contact Person designated on the applicable Schedule with respect to such Service by e-mail or telephonically detailing the access failure; provided, however, that the Service Provider shall not be in breach of its obligation to provide or caused to be provided the applicable Services to the extent that such inability to obtain access or such rights causes what would otherwise be a breach of the Service Provider.

Section 4.02. Cooperation; Consents. Except with respect to the licenses granted in Article VI by Reuters and except as otherwise provided in Article XIV, the applicable Service Recipient shall obtain and maintain all consents, licenses, sublicenses or approvals necessary to permit the applicable Service Provider to provide the Services, and perform its obligations hereunder. Except with respect to the licenses granted in Article VI, such Service Recipient shall bear the entire cost and expense of obtaining and maintaining such consents, licenses, sublicenses or approvals and will reimburse the applicable Service Provider for any costs and expenses incurred thereby in connection with obtaining any such consents, licenses, sublicenses or approvals. If a Service Recipient is unable to obtain such consents, licenses, sublicenses or approvals, the Service Recipient shall notify the Service Provider of such failure and the Service Provider shall not be obligated to provide or cause to be provided the provision of such Services to the extent, and only to the extent, such consents, licenses, sublicenses or approvals are required for performances of such Services.

Section 4.03. Records. The parties hereto will maintain documentation relating to the information contained in the Schedules and any exhibits and other attachments to this Agreement for three (3) years and will cooperate reasonably with one another in making such information available as may be required in connection with any tax audit, whether in the United States or any other jurisdiction or country.

Section 4.04. License of Service Recipient's Proprietary Information. Subject to Article XVI, each Service Recipient hereby grants to the applicable Service Provider or a Third Party Service Provider, as the case may be, access to and a limited, non-exclusive, non-transferable, non-sublicensable (except to members of the Service Provider's Group) royalty-free license to the applicable Relevant Intellectual Property only to the extent, and only for the period during which, any Service Provider reasonably requires the use of such Relevant Intellectual Property and in any case, for the sole purpose of providing the applicable Services. Service Providers shall not use, store, collect, alter or disclose any Relevant Intellectual Property for any purpose other than as expressly provided in this Section 4.04.

Section 4.05. Third Party Licenses. The Service Provider shall endeavor in good faith to notify the Service Recipient in writing of any third party licenses and consents that it is actually aware are required to allow the Service Recipient to enjoy use of the Services and Software being provided hereunder; provided, however, the Service Recipient shall be responsible for obtaining such third party licenses and consents and the paying of any charges associated with such licenses and consents; provided, further, a change in the Service Level of a Service, a change in a Service generally or a limit or prohibition on the use of any Software in each case as a result of the failure of the Service Recipient to obtain any necessary consents or licenses, shall not constitute a breach of this Agreement by the Service Provider to the extent, and only to the extent, such third party licenses or consents are required for performances of such Services or the license of the Software.

Section 4.06. Return of Assets. Upon written request of either party, the other party shall promptly, but in any event within sixty (60) days, return to, or promptly make available for collection on reasonable terms all of such other party's CPE and other property.

ARTICLE V

REUTERS TRANSITIONAL EMPLOYEES

Section 5.01. Reuters Transitional Employees. The number and identity, to the extent permitted by law, of the employees who shall be dedicated exclusively to the provision of certain of the Reuters Transitional Services shall be as set forth in Exhibit D (the "**Reuters Transitional Employees**"). It being understood and agreed that neither Reuters nor any member of the Reuters Group is required to disclose any personal information unless a failure to disclose such personal information would be violative of applicable law. Subject to the terms of this Article V, Reuters agrees to use its reasonable efforts to cause each of the Reuters Transitional Employees to continue to provide to Moneyline the services and perform the functions that such individual provided on behalf of the Telerate Business immediately prior to the Moneyline Closing Date (together with reasonable modifications of such functions in the ordinary course of Reuters business).

Section 5.02. Services. The Reuters Transitional Employee shall perform the Reuters Transitional Services at their current places of employment, as may be changed from time to time in the ordinary course of Reuters business, and under the supervision, direction and control of Reuters or a member of the Reuters Group; provided, however, that nothing in this Agreement shall prohibit Reuters or a member of the Reuters Group from exercising such direction and control to move personnel to account for organizational promotions and reorganizations. The Reuters Transitional Employees shall be exclusively employed by Reuters or a member of the Reuters Group for the duration of the period for which they are providing a Reuters Transitional Service (consistent with the transitioning procedures set forth below) or as otherwise reasonably agreed by the parties in writing.

Section 5.03. Reimbursement for Reuters Transitional Employee Costs. During the period in which any Reuters Transitional Services are performed, Moneyline shall reimburse Reuters for the Transitional Employee Costs; provided, however, that during such period Reuters shall not increase Reuters Transitional Employee salaries to a degree that is, in the aggregate, inconsistent with salary increases for similarly situated Reuters employees working at the same locations.

Section 5.04. Transition to Moneyline Employment. In accordance with applicable law, Reuters and Moneyline agree that upon the termination of this Agreement, or upon the cessation of the Reuters Transitional Service being provided by the Reuters Transitional Employees, Reuters will permit Moneyline to make offers of employment to the applicable Reuters Transitional Employees. In the event that Moneyline shall fail or refuse to hire any such employee, or any such employee shall fail or refuse to accept such employment with Moneyline, Moneyline shall reimburse Reuters for the severance pay and other termination related costs (including unused vacation and paid time off) under Reuters then existing programs and policies providing such benefits for similarly situated Reuters employees commensurate with then current practices, or as otherwise required by applicable law.

Section 5.05. Cessation of Status as Reuters Transitional Employee.

(a) In the event that any Reuters Transitional Employee ceases to be an employee of Reuters during the Term or assumes another position within Reuters, such individual shall automatically cease to be a Reuters Transitional Employee for purposes of this Agreement. Reuters shall promptly attempt to find a suitable replacement for such former Reuters Transitional Employee at a compensation level equal to or less than the Reuters Transitional Employee being replaced (unless Reuters obtains Moneyline's prior written consent which shall not be unreasonably withheld or delayed, and if such consent is withheld or delayed, then Reuters shall have no obligation to replace such Reuters Transitional Employee). If replaced, such replacement shall then be deemed to be a Reuters Transitional Employee and the provisions of this Agreement relating to Reuters Transitional Employees will apply. If Reuters complies with the foregoing requirements, neither Moneyline nor any member of the Moneyline Group shall be entitled to claim a breach by Reuters or any member of the Reuters Group of any Service Level commitments which are directly attributable to the non-replacement of a former Reuters Transitional Employee.

(b) In the event that Moneyline, acting reasonably, is dissatisfied with the performance of any Reuters Transitional Employee during the term of this Agreement, Moneyline shall provide notice to Reuters of its dissatisfaction (including a statement in reasonable detail setting forth the basis therefor). Reuters shall (i) initiate performance management and/or disciplinary action with respect to such Reuters Transitional Employee consistent with Reuters applicable personnel policies, (ii) treat such complaint as if such complaint were made by a senior manager of Reuters, and (iii) take prompt action with respect to such complaint, taking into account the duration of this Agreement; provided, further, that

Moneyline personnel interacting with any such Reuters Transitional Employee shall cooperate with the documentation and administration of any performance management plan. If, following the implementation of such steps, Moneyline reasonably desires that Reuters remove such individual from the performance of Reuters Transitional Services, then Moneyline shall provide Reuters with at least ten (10) Business Days' notice or in accordance with standard Reuters practice, whichever is longer, and (subject to any applicable requirements of law) Reuters shall then remove such individual from the performance of Reuters Transitional Services and such individual shall cease to be a Reuters Transitional Employee for purposes of this Agreement. Reuters shall comply with the provisions set forth in Section 5.05(a) in finding a replacement for such former Reuters Transitional Employee. If Reuters terminates the employment of a Reuters Transitional Employee as a result of Moneyline's dissatisfaction with such employee's performance (and such Reuters Transitional Employee has been designated to exclusively perform Services to the Moneyline Group for more than thirty (30) consecutive days) then Moneyline shall reimburse Reuters for the severance pay and other termination related costs (including unused vacation and paid time off) under Reuters then existing programs and policies providing such benefits for similarly situated Reuters employees commensurate with then current practices, or as otherwise required by applicable law.

(c) In the event that Moneyline notifies Reuters in writing that it no longer requires the services of any Reuters Transitional Employee (other than because Moneyline is dissatisfied with the performance of such employee during the term of this Agreement), Reuters shall remove such individual from the performance of Reuters Transitional Services and Reuters shall have no obligation to replace such individual under this Agreement. If Reuters terminates the employment of a Reuters Transitional Employee as a result of Moneyline's notification that it no longer requires such employee's performance, Moneyline shall reimburse Reuters for the severance pay and other termination related costs (including unused vacation and paid time off) under Reuters then existing programs and policies providing such benefits for similarly situated Reuters employees commensurate with then current practices, or as otherwise required by applicable law.

(d) In the event that Reuters terminates the employment of any Reuters Transitional Employee during the term of this Agreement for "cause" (as defined herein), which Reuters may do in its sole discretion, Reuters shall remove such individual from the performance of services for Moneyline and Reuters shall use commercially reasonable efforts to replace such individual, and such replacement shall then be deemed to be a Reuters Transitional Employee and the provisions of this Agreement relating to Reuters Transitional Employees will apply including the provisions set forth in clauses (a) and (b) of this Section 5.05. For purposes of this provision, "cause" shall mean the conviction or plea of guilty to any crime, dishonesty, misconduct, or violation of Reuters policies or rules, as determined by Reuters in its sole discretion, except that poor job performance shall not be deemed, for purposes of this subsection, to constitute misconduct or a violation of Reuters policies or rules.

(e) Moneyline understands and agrees that some or all Reuters Transitional Employees may terminate their employment relationship with Reuters at any time or may seek alternative positions at Reuters that are generally publicized to Reuters employees. Reuters shall not be in breach of this Agreement as a result of such termination or reassignment if it complies with the provisions of Section 5.05(a). In each case, Reuters shall use commercially reasonable efforts in accordance with Section 5.05(a) to replace such Reuters Transitional Employees, and such replacements shall then be deemed to be Reuters Transitional Employees and the provisions of this Agreement relating to Reuters Transitional Employees will apply.

Section 5.06. No Other Obligation. Except as otherwise provided in this Article V, Moneyline shall have no obligations in respect of Reuters employees, including the Reuters Transitional Employees.

ARTICLE VI

LICENSES

Section 6.01. Ownership of Trademarks and Software Generally. The sole and exclusive ownership of, and all right, title and interest in the Bridge Trademarks and the Software (other than Derivative Works) and all Intellectual Property Rights arising from or to the Bridge Trademarks and the Software (other than Derivative Works) shall belong to Reuters; and neither Moneyline nor any member of the Moneyline Group, any Permitted Distributor nor any Moneyline Client shall be deemed to have acquired any proprietary interest in the Bridge Trademarks and Software (other than Derivative Works) as a result of this Agreement. The licenses granted in this Article VI are the only licenses being granted in this Agreement. And any license of Software is only a license to that Software and does not imply a license to anything other than as specifically set forth in such license.

(a) Trademarks. Moneyline represents and warrants that, as promptly as practicable after it receives a fully compliant, properly packaged, and fully installable version of the Software that properly removes all references to Bridge Trademarks, the Moneyline Group and Permitted Distributors shall cease to use any of the Bridge Trademarks and have no further right in or to any Bridge Trademarks. Moneyline shall not, and shall ensure that neither any member of the Moneyline Group nor any Permitted Distributor shall, at any time use or seek to register any trademarks confusingly similar to the Bridge Trademarks in any jurisdiction. If Moneyline or any member of the Moneyline Group becomes aware that any Permitted Distributor is using or seeking to register any trademarks confusingly similar to the Bridge Trademarks in any jurisdiction, Moneyline or a member of the Moneyline Group shall (i) promptly notify Reuters in writing of such activities and (ii) use their commercially reasonable efforts to cause any Permitted Distributor of which it becomes aware to cease and desist using or seeking to register such trademarks and (iii) use their commercially reasonable efforts to cooperate with any actions taken by Reuters or a member of the Reuters Group against a Permitted Distributor that seeks to register or uses such trademarks.

(b) No Right to Bridge Look and Feel. Following termination of this Agreement in accordance with Article XV, neither Moneyline nor Moneyline Clients shall have any right to continue to use the overall trade dress associated with Bridge products, including the user interface “look and feel” associated as of the date of the execution of this Agreement with BridgeStation and Telerate Workstation, other than market standard displays and functionalities as are commonly used in the industry.

Section 6.02. Proprietary Software.

(a) Software License Grants for the Telerate Business. Subject to the terms of Article XIV:

(i) Reuters hereby grants to Moneyline a limited worldwide, non-transferable, non-exclusive license to copy and use the Software listed in Exhibit F, Telerate Workstation Version 6.x, the TelerateFeed Version 3.x and 4.x and TelerateFeed SDK (in both "C" and Java versions paired with the compatible version(s) of BridgeFeed server or JEX server software) and the Add-On Software, in Object Code form, and the related Documentation, only for the purpose of operating the Telerate Business during the applicable Software License Term. The license shall be non-assignable (except to a successor in interest or, upon Reuters prior written approval which shall not be unreasonably withheld or delayed, an entity providing outsourcing services related to the Software at issue to Moneyline), and non-sublicensable, except to Moneyline Clients and/or to members of the Moneyline Group who sublicense to Moneyline Clients in each case, as part of its standard services and only in accordance with Section 6.02(e) or 6.03, as applicable.

(ii) Reuters hereby grants to Moneyline a worldwide, non-exclusive license to copy, use and create Derivative Works based on the following components of Telerate Workstation Version 6.x, in Source Code form, together with the Documentation, for the purpose of operating the Telerate Business during the applicable Software License Term (collectively, whether original works or Derivative Works, "**Telerate Workstation 6.x Components**"): Container, Analytics/Pages, Bridge Dynamic Data Exchange, AthenaExpress, E-Mail, LookUp, MarketWatch, NewsWatch[®], OptionWatch, QuoteLine, Security Strip, Ticker, WebBrowser or Dynamic Portfolio. This license shall also include the right of Moneyline to assemble or compile copies of the Telerate Workstation 6.x Components in Object Code form. The license shall be non-assignable (except to a successor in interest or, upon Reuters prior written approval (which shall not be unreasonably withheld or delayed), an entity providing outsourcing services related to the software at issue to Moneyline), and non-sublicensable, except for the Object Code versions of the foregoing, to Moneyline Clients and/or to members of the Moneyline Group who sublicense to Moneyline Clients in each case, as part of its standard services and only in accordance with Section 6.02(e) or 6.03, as applicable.

(iii) Reuters hereby represents and warrants that it shall not (a) adversely modify the features, functions or capacity of Telerate WorkStation Version 6.x or any Telerate WorkStation 6.x Component, or (b) rename Telerate Workstation Version 6.x or any other Telerate Workstation 6.x Component, whether by numeric designation or otherwise, in a manner inconsistent with Reuters practices as of the execution date of this Agreement.

(iv) In respect of the Telerate Channel Software licensed to Moneyline pursuant to Section 6.02(a)(i), the parties agree and acknowledge that if there are future versions of Telerate Channel software, JEX Server Version and, if such future versions of Telerate Channel are reliant upon Bridge Internet Toolkit ("BIT") as a middleware application, then the license of Telerate Channel Software hereunder shall include solely the middleware functionality of BIT (but not the use of BIT as a toolkit enabling customers to access and redistribute data over web portals) for use in connection with Telerate Channel. While the Moneyline acknowledges that such future versions of the software may not optimally support Telerate services, Reuters agrees to assess the feasibility of including streaming pages into the next version of BIT. If such inclusion is feasible, at Moneyline's request, Reuters shall undertake to include such functionality into the next version of BIT, and Moneyline will reimburse Reuters for one-hundred percent (100%) of the salary and benefits that Reuters pays personnel to include such functionality.

(b) Software License Grants for Bridge Europe & Asia. Subject to the terms of Article XIV:

(i) Reuters hereby grants to Moneyline a limited non-exclusive, non-transferable license to copy and use the Software listed in Exhibit G, BridgeStation Version 6.x, BridgeFeed Version 3.x and 4.x and BridgeFeed SDK (in both “C” and Java versions paired with the compatible version(s) of BridgeFeed server or JEX server software) and the Add-On Software, in Object Code form and the related Documentation, only for the purpose of operating Bridge Europe & Asia within the Territory during the applicable Software License Term. The license shall be non-assignable (except to a successor in interest or, upon Reuters prior written approval (which shall not be unreasonably withheld or delayed), an entity providing outsourcing services related to the software at issue to Moneyline), and non-sublicensable, except to Moneyline Clients and/or to members of the Moneyline Group who sublicense to Moneyline Clients in each case, as part of its standard services and only in accordance with Section 6.02(e) or 6.03, as applicable.

(ii) Reuters hereby grants to Moneyline a limited, non-exclusive, non-transferable license to copy, use and create Derivative Works based on and the following components of BridgeStation Version 6.x, in Source Code form, together with the related Documentation, for the purpose of operating Bridge Europe & Asia within the Territory during the applicable Software License Term (collectively, whether original works or Derivative Works, **“BridgeStation 6.x Components”**): Container, Analytics/Pages, Bridge Dynamic Data Exchange, AthenaExpress, E-Mail, LookUp, MarketWatch, NewsWatch[®], OptionWatch, QuoteLine, Security Strip, Ticker, WebBrowser or Dynamic Portfolio. This license shall also include the right of Moneyline to assemble or compile copies of the BridgeStation 6.x Components in Object Code form. The license shall be non-assignable (except to a successor in interest or, upon Reuters prior written approval (which shall not be unreasonably withheld or delayed), an entity providing outsourcing services related to the software at issue to Moneyline), and non-sublicensable, except for the Object Code versions of the foregoing, to Moneyline Clients and/or to members of the Moneyline Group who sublicense to Moneyline Clients in each case, as part of its standard services and only in accordance with Section 6.02(e) or 6.03, as applicable.

(iii) Reuters hereby represents and warrants that it shall not (a) adversely modify the features, functions or capacity of Bridgestation Version 6.x or any Bridgestation 6.x Component, or (b) rename Bridgestation Version 6.x or any other Bridgestation 6.x Component, whether by numeric designation or otherwise, in a manner inconsistent with Reuters practices as of the execution date of this Agreement.

(c) No Further Licenses. Except as specifically provided in Sections 6.02(a) and 6.02(b), or Article XXI, the Software shall not be leased, assigned, transferred or sublicensed, in whole or in part.

(d) Delivery of Licensed Subject Matter. Whenever, pursuant to this Agreement, Reuters is obligated to deliver to Moneyline copies of Software, Reuters shall deliver a copy thereof in either electronically or in on machine-readable media, in accordance with Reuters standard practice for the applicable Software; provided, however, in no event shall Reuters be required to make or deliver any copies of Software to Moneyline Clients nor shall Reuters be required to delivery any copies of Software other than in connection with the specific service for which it is sought.

(e) Permitted Distributors Generally. As a pre-condition to making available to distributors operating in the Territory any of the Software or Reuters Transitional Services, Moneyline shall enter into an agreement with any such distributor which contains the minimum terms and conditions set forth on Exhibit A, whereupon such distributor shall be deemed a Permitted Distributor for purposes of this Agreement. Upon the execution of such agreement, Moneyline shall within thirty (30) days certify in writing to Reuters that such Permitted Distributor has entered into a binding distribution agreement with Moneyline that complies with the requirements of this Agreement. Moneyline acknowledges and agrees that it shall cause such Permitted Distributor to and shall be held liable for such Permitted Distributor if such Permitted Distributor fails to (i) operate only in the Territory, (ii) use the sublicensed product in accordance with the terms of this Agreement (including Section 6.03) and (iii) otherwise comply in all respects with the terms of this Agreement (including Exhibit A).

Section 6.03. Client Agreements. Moneyline shall, and shall cause each member of the Moneyline Group and each Permitted Distributor to, enter into a Client Agreement with each of their respective Moneyline Clients. In addition, each Client Agreement shall contain a generic reference that licensors shall be third party beneficiaries of such Client Agreement.

Section 6.04. Software Maintenance.

(a) Supply of Releases. During the applicable Software License Term for the Exhibit F and Exhibit G Software (not including any extension thereof pursuant to Section 6.06) and for three years from the Moneyline Closing Date for Telerate Workstation Version 6.x or BridgeStation Version 6.x, Reuters will provide Moneyline with generally available (i) maintenance releases (including fixes and patches but excluding new functionality) (“**Releases**”) and (ii) enhancements for use with the licensed versions (but not to any other versions) (“**Enhancements**”) of the Exhibit F and 6.02(b)(i) Software and the Object Code form of Telerate Workstation Version 6.x and BridgeStation Version 6.x (but not to any other versions), and also other enhancements to the foregoing Software as may be necessary to maintain software compatibility and functionality with the Reuters Network, at the same time they are generally implemented or made generally available to Reuters customers as part of Reuters own business as a commercially launched (rather than an Alpha or Beta or similar test release) product to customers.

(b) Implementation and Distribution. Moneyline shall be responsible for implementing or distributing any Releases or Enhancements to Moneyline Clients. Moneyline acknowledges that it has no right to cause Reuters to cancel or delay the distribution of any Software to its or any member of the Reuters Group’s respective clients.

(c) Support for Software. Notwithstanding Section 6.04(a) above, Reuters will make the following additional support commitments relating to Active1, Version 7.1:

(1) Moneyline acknowledges that development work scheduled for a version of Active1, Version 7.1 that is compatible with BTRS has been completed.

(2) Reuters will make available to Moneyline whatever language versions of Active1, Version 7.1 are supported by Reuters for its own business.

(3) Reuters represents that it has made available to Moneyline any enhancements made to Active1, Version 7.1 within the twelve (12) month period following the Moneyline Closing Date.

(4) Upon Moneyline's request and subject to reasonable advance notice, Reuters will make available to Moneyline a mutually agreed reasonable number of consulting/development personnel who will be fully dedicated to supporting the installation and customization needs of Moneyline and Moneyline Clients with respect to Active1, Version 7.1, and Moneyline will reimburse Reuters for costs associated with such personnel. The parties agree that Reuters will own any and all rights to technology developed by such personnel and any and all Intellectual Property Rights relating thereto, and that Moneyline and/or Moneyline Clients shall have royalty-free licenses to use such technology for its intended purpose, in accordance with the term and license limitations applicable to Active1, Version 7.1.

(d) Support for Telerate Workstation Version 6.x and BridgeStation Version 6.x.

(1) Reuters maintenance and support obligations with respect to Telerate Workstation Version 6.x and BridgeStation Version 6.x shall terminate on the date that is three years from the Moneyline Closing Date.

(2) Reuters shall have no obligation to provide support for modifications made to any part of Telerate Workstation Version 6.x or BridgeStation Version 6.x by or on behalf of Moneyline or a member of the Moneyline Group (except for modifications made by Reuters or a member of the Reuters Group). Reuters shall also have no obligation to maintain compatibility of any data feeds or other Software with Telerate Workstation Version 6.x or BridgeStation Version 6.x if any modification to either has been made by Moneyline or a member of the Moneyline Group.

(3) Reuters maintenance and support obligations with respect to Telerate Workstation Version 6.x and BridgeStation Version 6.x shall apply only to English and Japanese versions of such software. Specific support for Japanese language versions will be provided according to the process defined in Section 4(E) of the Reuters Software Support and Software Development Schedule.

(e) Add-On Software. In addition to any other requirements applicable to Moneyline's sublicensing of the Software, Add-On Software (including Active1, Version 7.1) may only be licensed as part of an integrated product offering where each end user is also licensed to use BridgeStation, Telerate Workstation, a TelerateFeed or a BridgeFeed.

(f) Obsolescence. Notwithstanding Reuters support and maintenance obligations hereunder, Reuters and members of the Reuters Group shall only be required to support the then current standard software releases and configurations supported by Reuters or the applicable member of the Reuters Group in the ordinary course of its business for their own clients.

Section 6.05. Protection of Intellectual Property and Proprietary Information.

- (a) Limitations on Use. Except as otherwise expressly provided in this Agreement, Moneyline shall not make any copies of the Software, and Moneyline has no right to and shall not modify, reproduce, copy, reverse compile, disassemble, decode or otherwise reverse engineer any Software.
- (b) Markings. Moneyline shall not remove from any Software any patent, copyright, trademark or other proprietary notices.
- (c) Treatment of Licensed Software. Moneyline shall maintain the licensed Software in confidence, protecting it at least as well as Moneyline protects its own similarly situated proprietary information, but in no event, less than reasonable care, and shall not use it for any purposes other than the purposes contemplated by this Agreement.
- (d) Treatment of Telerate WorkStation Version 6.x Source Code and BridgeStation Version 6.x Source Code. Moneyline acknowledges that the Source Code of Telerate Workstation 6.x Components and of BridgeStation 6.x Components is of high value to Reuters and that the loss of the confidential status of either would cause a substantial loss to Reuters, and Moneyline specifically agrees to maintain in extreme confidence the Source Code of each of Telerate WorkStation Version 6.x and BridgeStation Version 6.x by using at least the same physical and other security measures as Moneyline uses for its own most confidential technical information and documentation. Moneyline further agrees not to disclose the Source Code of the Telerate Workstation 6.x Components or BridgeStation 6.x Components to anyone other than employees or contractors (such contractors to be engaged by a member of the Moneyline Group for development services) who have a need to know or obtain access to such information solely to the extent necessary to support Moneyline's licensed activities with respect to the Source Code of the Telerate Workstation Version 6.x and BridgeStation Version 6.x and are bound by a written agreement explicitly recognizing that Reuters is third party beneficiary thereof to protect such information against any other use or disclosure.
- (e) Obligated Persons. The obligations of confidentiality contained in this Section 6.05 above will apply to all officers, directors, employees, agents and subcontractors of Moneyline; provided, however, that no officer, director or employee, agent or subcontractor shall be personally liable to Reuters for any breach of the confidentiality obligations provided that Moneyline shall remain liable for the actions of such individual.
- (f) Confidentiality. The foregoing obligations are in addition to the obligations regarding Confidential Information set forth in Article XVI.

Section 6.06. Legacy Licenses. For the Software set forth on Exhibit I, each of which are licensed to Moneyline pursuant to this Article VI, after the expiration of the applicable Software License Term, Moneyline shall have an additional term of four (4) years to use such Software, provided, however, (i) Reuters shall have no further obligations of any nature to support such Software including any of the support obligations set forth on the Schedules hereto, (ii) Reuters shall have no liability whatsoever to Moneyline or the member of the Moneyline Group or to anyone to whom Moneyline distributes such Software in contravention of the terms of this provision for such Software including the failure of such Software to continue to function and (iii) Moneyline shall no longer have the right to sublicense or distribute additional copies of such Software including to any Moneyline Clients.

Section 6.07. License of Self-Sourced EJV Content.

(a) Reuters hereby grants to Moneyline for a period of three (3) years from the Moneyline Closing Date and subject to the terms and conditions of this Agreement (including Sections 4.02, 6.05 and 14 hereof), the limited, non-exclusive, non-assignable and non-transferable right to receive and use the content which Reuters distributes generally to its clients in connection with the EJV Software to the extent that Reuters has self-sourced any such content without any receipt from or any obligation to, any other third parties in relation to the use, access, storage, or redistribution thereof (“**EJV Self-Sourced Content**”) and, in all cases, solely in relation to the operation by Moneyline of the Telerate Business. The license shall be non-sublicensable, except as part of its standard services and only in accordance with Sections 6.02(e) or 6.03, as applicable. Moneyline shall ensure that all members of the Moneyline Group, Permitted Distributors or Moneyline Clients, conform to the requirements set forth in Exhibits A and B as applicable including accurate reporting of users and the designation of Reuters as a third party beneficiary and which agreement is subject to the audit provisions set forth in Section 9.03. Moneyline shall be primarily liable for the compliance of all members of the Moneyline Group, Permitted Distributors and Moneyline Clients.

(b) Editorial Control. Reuters has complete editorial freedom with regard to the form and content of the EJV Self-Sourced Content and may alter the same from time to time.

(c) Storage – Moneyline. Moneyline may store EJV Self-Sourced Content on those devices and accesses on which the EJV Self-Sourced Content is received until the earlier of (i) such time as the license term for EJV Self-Sourced Content terminates or expires or (ii) such time as this Agreement terminates or expires.

(d) Storage – Moneyline Clients. Moneyline Clients shall be permitted to store the content until the earlier of (i) such time as the relevant service within the Client Agreement terminates or expires or (ii) such time as the license term for EJV Self-Sourced Content terminates or expires or (iii) such time as this Agreement terminates or expires.

(e) Moneyline must destroy and use commercially reasonable efforts to ensure that the Permitted Distributors and Moneyline Clients destroy all stored EJV Self-Sourced Content and all copies thereof upon such termination, expiration or cancellation as applicable; provided that Moneyline, the relevant Permitted Distributor or Moneyline Clients may continue to store the EJV Self-Sourced Content for such period as strictly required to comply with any applicable law or regulation.

(f) The license rights granted under Section 6.07 specifically exclude the right to any data other than EJV Self-Sourced Content, including the related fixed income market data (including market information, bond pricing data and terms and conditions) in relation to those sectors and geographic locations which were part of the EJV product offering as of the Moneyline Closing Date as set forth on Exhibit J, which Moneyline shall be responsible for obtaining from third party Content Providers at Moneyline’s own cost and expense.

Section 6.08. License to Redistribute BridgeFeed SDK and TelerateFeed SDK.

(a) In connection with the TelerateFeed SDK license and the BridgeFeed SDK license set forth in Section 6.02(a)(i) and 6.02(b)(i) and subject to each of paragraph (b) and paragraph (c) below, Reuters hereby grants Moneyline during the Software License Term applicable to the TelerateFeed and BridgeFeed and subject to the terms and conditions of this Agreement (including Sections 4.02, 6.05 and 14 hereof), the limited, non-exclusive, non-assignable and non-transferable right to redistribute by sublicense or allow its Permitted Distributors to redistribute by sublicense the BridgeFeed SDK and TelerateFeed SDK (in “C” and Java versions) that, in each case, solely to Moneyline Clients and solely to permit the applicable Moneyline Client to utilize the BridgeFeed SDK and TelerateFeed SDK for its own internal purposes to access, publish, manipulate and display content from the BridgeFeed and TelerateFeed over such Moneyline Client’s internal systems.

(b) Moneyline shall enter into a written agreement with each such sub-licensee that is at least as protective of Reuters Intellectual Property Rights as the terms and conditions set forth on Exhibit A or B, as applicable, and provides payment, record-keeping, reporting obligations and audit rights equivalent to those set out in this Agreement. Moneyline agrees to exercise its audit and other rights in, and to enforce such sub-licensee agreements, as reasonably requested by Reuters or as otherwise necessary to protect Reuters rights under this Agreement.

(c) The parties acknowledge that the Telerate business included the Telerate digital page feed toolkit which was replaced by the TelerateFeed SDK. Bridge Europe & Asia included the BridgeFeed toolkit. Consequently the license of the BridgeFeed SDK and TelerateFeed SDK includes, at no additional cost or documentation, the right of the Moneyline Clients (under the Client Agreement) to use the BridgeFeed SDK and TelerateFeed SDK to create proprietary software applications, which shall be the sole property of the Moneyline Client who was the creator of such software application.

Section 6.09. Reuters Instrument Codes. For purposes of this Agreement only, Moneyline acknowledges and agrees that (i) the set of codes developed and maintained by the Reuters Group for defining a unique identifier for financial instruments (known as “**Reuters Instrument Codes**” or “**RICs**”) are protected by copyrights, database rights and trademarks owned by the Reuters Group and (ii) Moneyline has no right to use, reference or access RICs in any manner without the express written authorization of Reuters. Neither the terms of this Agreement nor the actual provision of any of the Reuters Transitional Services nor any course of dealing between the parties shall be deemed to grant Moneyline an express or implied license to use, reference or access RICs in any way.

Section 6.10. Software Charges. Reuters shall invoice Moneyline in accordance with the procedures set forth in Article VIII and Moneyline shall pay Reuters the software charges set forth on Reuters Cost and Resource Schedule.

Section 6.11. Moneyline Intellectual Property Rights.

(a) The sole and exclusive ownership of, and all right, title and interest in all Intellectual Property Rights of Moneyline, including without limitation, all Intellectual Property Rights arising from or relating to ADD, ESIP Protocol, J tops, and the trade dress and

copyrights (excluding Reuters or third party content displayed on the Telerate pages) associated with the Telerate pages (an illustrative example of which is attached hereto as Exhibit K) shall belong to Moneyline or the applicable member of the Moneyline Group including Derivative Works (“**Moneyline IP**”); (provided, however, that Moneyline IP shall not be deemed to include, as a proprietary right of Moneyline, the “trade dress” if any, relating to industry-standard, generic display of data on pages) and neither Reuters nor any member of the Reuters Group shall be deemed to have acquired any proprietary interest in the Moneyline IP as a result of this Agreement.

(b) License Grant. Moneyline hereby grants to Reuters a limited non-exclusive non-transferable license to the Moneyline IP, only for the purpose of providing the Reuters Transitional Services during the term of the Agreement. The license shall be non-assignable (except to a successor in interest, or to a member of the Reuters Group or a Third Party Service Provider for the purpose of providing the Reuters Transitional Services). The licenses granted in this Article VI are the only licenses being granted in this Agreement. And any license of Moneyline IP is only a license to that Moneyline IP and does not imply a license to anything other than as specifically set forth in such license.

(c) Markings. No member of the Reuters Group shall remove from any Moneyline IP any patent, copyright, trademark, or other proprietary notice.

(d) Limitations of Use. Except as necessary to provide the Reuters Transitional Services, no member of the Reuters Group shall make any copies of the Moneyline IP, nor shall they have any right to, and they shall not, modify, reproduce, copy, reverse compile, disassemble, decode or otherwise reverse engineer any Moneyline IP.

(e) Treatment of the Moneyline IP. Reuters shall maintain the Moneyline IP in confidence, protecting it at least as well as Reuters protects its own similarly situated proprietary information, and shall not use it for any purposes other than the purposes contemplated by this Agreement.

(f) Obligated Persons. The obligations of confidentiality contained in Section 6.11(d) above will apply to all officers, directors, employees, agents and subcontractors of Reuters; provided, however, that no officer, director or employee, agent or subcontractor shall be personally liable to Moneyline for any breach of the confidentiality obligations provided that Reuters shall remain liable for the actions of such individual.

(g) Confidentiality. The foregoing obligations are in addition to the obligations regarding Confidential Information set forth in Article XVI.

ARTICLE VII

SHARED SITES

Section 7.01. Shared Sites Defined. For purposes of this Agreement, a “**Shared Site**” is any CPE and telecommunication connections at a client’s site that acts as a single point of access through which a client receives services from both a member of the Reuters Group and a member of the Moneyline Group or a Permitted Distributor. The parties agree that:

(a) As part of the Reuters Transitional Services, Reuters shall own the CPE and contract for the telecommunications connections for Shared Sites located in North America; and

(b) As part of the Moneyline Transitional Services, Moneyline shall own the CPE and contract for the telecommunications connections for Shared Sites located in the Territory.

Section 7.02. Exclusive Site Defined.

(a) For purposes of this Agreement, an **“Exclusive Site”** is one or more CPEs and telecommunication connections at a client’s site that act as a single point of access through which a client receives services from either a member of the Reuters Group or a member of the Moneyline Group (including a Permitted Distributor), but not from both.

(b) If a client of a Shared Site cancels all services received through that Shared Site from Moneyline, then the Shared Site automatically becomes a Reuters Exclusive Site. If a client of a Shared Site cancels all services received through that Shared Site from Reuters, then the Shared Site automatically becomes a Moneyline Exclusive Site.

(c) A Shared Site that becomes a Reuters Exclusive Site or a Moneyline Exclusive Site, as the case may be, shall remain a Reuters Exclusive Site or a Moneyline Exclusive Site, as the case may be, and cannot be reverted to a Shared Site. In other words, neither Reuters nor Moneyline (nor members of their respective Groups or Permitted Distributors) may provide their respective clients with services utilizing CPE or telecommunications facilities that are being used exclusively by the other party to provide services to its own clients.

Section 7.03. Shared Sites Become Moneyline Exclusive Sites.

(a) Upon notification by a client of a Shared Site in which the CPE is owned by Reuters pursuant to Section 7.01 that such client wishes to cancel all of the Reuters services to such Shared Site – so that such Shared Site becomes a Moneyline Exclusive Site – Reuters shall notify Moneyline of such cancellation and Moneyline shall have the opportunity to purchase the CPE at the Fair Market Value. If Moneyline makes such purchase, after Moneyline assumes obligations of the CPE including payment obligations, Reuters shall immediately cease charging Moneyline and members of the Moneyline Group for all telecommunications circuits arising from and after the date of the cancellation. In the event Moneyline does not purchase the CPE, Reuters will remove the CPE from the Shared Site. Further, in the event Moneyline does not take assignment of the telecommunication circuits, Reuters will cancel the telecommunication circuits.

(b) Upon notification by a client of a Shared Site in which the CPE is owned by Moneyline pursuant to Section 7.01 that such client wishes to cancel the Reuters services to such Shared Site – so that such Shared Site becomes a Moneyline Exclusive Site – Reuters shall notify Moneyline of such cancellation and Moneyline shall retain ownership and management of CPE and telecommunications circuits of such Shared Site.

(c) If Moneyline desires to convert a Shared Site in which the CPE is owned by Reuters pursuant to Section 7.01 into a Moneyline Exclusive Site, it may at any time notify Reuters of its intention and order and install at its own cost and expense independent telecommunications circuits, connections or related requirements and CPE for the delivery of Moneyline services to the client; provided, however, that the parties agree that the telecommunications provider shall be responsible for, and shall manage, the add/delete process for circuits, connections and related requirements.

(d) At such time a Shared Site becomes a Moneyline Exclusive Site, Reuters Transitional Service obligations shall be reduced to the standard Reuters Transitional Services provided to other Moneyline Exclusive Sites.

Section 7.04. Shared Site Becomes a Reuters Exclusive Site.

(a) Upon notification by a client of a Shared Site owned by Moneyline pursuant to Section 7.01 that such client wishes to cancel all of the Moneyline services to such Shared Site – so that such Shared Site becomes a Reuters Exclusive Site – Moneyline shall notify Reuters of such cancellation and Reuters shall have the opportunity to purchase the CPE at the Fair Market Value. If Reuters makes such purchase, after Reuters assumes obligations of the CPE including payment obligations, Moneyline shall immediately cease charging Reuters and members of the Reuters Group for all telecommunications circuits arising from and after the date of the cancellation. In the event Reuters does not purchase the CPE, Moneyline will remove the CPE from the Shared Site. Further, in the event Reuters does not take assignment of the telecommunication circuits, Moneyline will cancel the telecommunication circuits.

(b) Upon notification by a client of a Shared Site owned by Reuters pursuant to Section 7.01 that such client wishes to cancel the Moneyline services to such Shared Site – so that such Shared Site becomes a Reuters Exclusive Site – Moneyline shall notify Reuters of such cancellation and Reuters shall retain ownership and management of CPE and telecommunications circuits of such Shared Site.

(c) If Reuters desires to convert a Shared Site owned by Moneyline pursuant to Section 7.01 into a Reuters Exclusive Site, it may at any time notify Moneyline of its intention and order and install at its own cost and expense independent telecommunications circuits, connections or related requirements and CPE for the delivery of Reuters services to the client; provided, however, that the parties agree that the telecommunications provider shall be responsible for, and shall manage, the add/delete process for circuits, connections and related requirements.

(d) At such time a Shared Site becomes a Reuters Exclusive Site, Reuters shall no longer be required to provide Reuters Transitional Services with respect to such Reuters Exclusive Site.

Section 7.05. Moneyline Exclusive Sites to Reuters Exclusive Sites.

In the event a client at a Moneyline Exclusive Site decides to cancel receipt of Moneyline services and order Reuters services, Moneyline shall cancel the telecommunications circuits and remove the CPE. Reuters shall be responsible for ordering new telecommunications circuits, connections and related requirements and installing its own CPE at its own cost and expense; provided, however, that the parties agree that the telecommunications provider shall be responsible for, and shall manage, the add/delete process for circuits, connections and related requirements.

Section 7.06. Reuters Exclusive Sites to Moneyline Exclusive Sites.

In the event a client of a Reuters Exclusive Site decides to cancel receipt of Reuters services and order Moneyline services, Reuters shall cancel the telecommunications circuits and remove the CPE. Moneyline shall be responsible for ordering new telecommunications circuits, connections and related requirements and installing its own CPE at its own cost and expense; provided, however, that the parties agree that the telecommunications provider shall be responsible for, and shall manage, the add/delete process for circuits, connections and related requirements.

Section 7.07. Infrastructure Issues.

(a) If a Shared Site requires new telecommunication circuits, changes to client site architecture and configuration or similar, any out-of-pocket costs relating to such changes and upgrades shall be borne equally by Moneyline and Reuters.

(b) The determination of the Technical Account Manager assigned by the party who owns the CPE at the Shared Site pursuant to Section 7.01 shall be determinative for purposes of deciding whether any changes or upgrades to a Shared Site are required and both parties shall consult, cooperate and coordinate with the other on all such changes and upgrades.

ARTICLE VIII

INVOICING AND PAYMENT

Section 8.01. Payment Terms. Each party hereby agrees to pay the cost and charges for the Services as forth in the Reuters Cost and Resource Schedule and the Moneyline Cost and Resource Schedule and/or as set forth in the Schedules to this Agreement applicable to such Services. Any amount not paid when due as set forth in this Agreement will bear interest until paid at a rate of interest equal to the prime lending rate established from time to time by Citibank N.A. (or any successor thereto) plus two percent (2%) which shall continue to accrue up to and after a judgment by any court, arbiter or expert until the date of actual payment.

Section 8.02. Invoices. Unless otherwise specified in this Agreement or the applicable Schedule, each party shall invoice (the **"Invoicing Party"**) the other party (the **"Paying Party"**) for all charges hereunder and such invoice shall be paid by the Paying Party no later than thirty (30) days after the date of issuance of such invoice.

Section 8.03. Taxes and Duties; Setoff. All sums payable by the Service Recipient or the applicable member of such Service Recipient's Group to a Service Provider or the applicable member of the Service Provider's Group or a Third Party Service Provider pursuant to the terms of this Agreement shall be (i) paid free and clear of all deductions or withholdings on account of Indemnified Taxes, except as may be required by any applicable law; provided, however, that the parties shall timely sign and deliver such certificates or forms as may be necessary or appropriate to establish an exemption from (or otherwise reduce) taxes; provided, further, in the event that

any payment is subject to a withholding or deduction required by law, the applicable Service Provider shall be entitled to receive from the applicable Service Recipient and the applicable members of its Group all reasonable assistance to enable it to obtain a credit or refund in respect of such withholding or deduction; and (ii) exclusive of amounts in respect of value added tax ("VAT") which shall be paid in addition to such amount by the applicable Service Recipient on issue of a valid VAT invoice or equivalent document at the rate and in the manner from time to time being prescribed by law.

Except for credits, if any, which may be owed to a Service Recipient due to a failure to meet one or more Service Levels, neither party shall have the right to set off against any amounts owed under this Agreement.

Section 8.04. **Disputed Invoices.** If during the period prior to the due date for payment of an invoice, the Paying Party in good faith disputes the accuracy or legitimacy of any charge or invoice, such party shall promptly notify the Invoicing Party of such dispute. All amounts shall be paid by the due date of the invoice. Any amounts disputed in good faith shall be paid by the applicable due date to the Invoicing Party which shall deposit such disputed amounts into an escrow account established for such purpose pursuant to an Escrow Agreement to be entered into by the parties within thirty (30) days after the date hereof. If either party in good faith disputes the accuracy or legitimacy of any charge or invoice after payment has been made on such invoice, such party shall promptly notify the other party of such good faith dispute at the time it becomes aware of such dispute at any time during the 180 day period commencing the date of issuance of such invoice. Subject to the audit rights set forth in Section 9.01, a party's failure to so notify the other party within such 180 day period shall be deemed as an acceptance of such invoice. To the extent that the dispute cannot be resolved between Reuters and Moneyline as set forth in Section 17.01, the parties shall seek to resolve the matters in dispute in accordance with Section 17.02 hereof.

Section 8.05. **Records.** Each party shall maintain complete and accurate records of, and supporting documentation for, the amounts billable to and payments made by the Paying Party hereunder, sufficient detail to permit compliance with Article IX. Each party agrees to cause the Invoicing Party to provide the Paying Party with documentation and other information with respect to each invoice as may be reasonably requested by the Paying Party to verify accuracy and compliance with the provisions of this Agreement.

Section 8.06. **Tax Indemnity.** Reuters and Moneyline shall cause and shall cause each applicable Service Recipient to indemnify the applicable Service Provider, the members of the Service Provider's Group and any Third Party Service Provider and their respective representatives, directors, officers, employees, contractors and agents from and against any liability for Indemnified Taxes. In the event any Indemnified Taxes are required to be paid in connection with services pursuant to this Section 8.06, the Service Provider shall notify the applicable Service Recipient in writing of any liability for Indemnified Taxes for which the Service Provider is entitled to indemnification. The Service Recipient shall pay such statements within thirty (30) days of receipt thereof.

ARTICLE IX

AUDITS

Section 9.01. Invoice Audits. The Paying Party, upon giving the other party thirty (30) days written prior notice (except if such audit notice is delivered in November or December of any year during the Term, in which case such notice shall be given not less than sixty (60) days prior to the date of the audit), shall have the right to have an independent third party from a top four (4) nationally recognized accounting firm who shall be subject to a reasonably acceptable confidentiality and non-disclosure agreement of the Invoicing Party to inspect, audit, copy, review and analyze such other party's books and records as reasonably necessary to substantiate any fees and expenses incurred by the Paying Party hereunder, during business hours at the Invoicing Party's place of business. The Invoicing Party shall be obligated to provide all such material documentation and information requested.

Such inspection (i) shall occur no more than one time per year, unless the Paying Party has demonstrated, through an audit as described above, overbilling by the Invoicing Party in excess of five percent (5%) of the amount actually required to be paid, and then up to twice per year, (ii) will not commence any later than two (2) years subsequent to the termination of this Agreement, (iii) will be limited to the Invoicing Party's book and records for the three years prior to the date of the audit notice, (iv) will be restricted to the Invoicing Party's books and records after the Moneyline Closing Date, (v) shall prohibit the Paying Party from reauditing any of the Invoicing Party's books and records which it has already audited and (vi) the Paying Party shall bear the cost of the inspection and audit; provided, however, that in the event during the course of an audit of the Invoicing Party, the Paying Party finds evidence which suggests that the Invoicing Party has engaged in unauthorized activities, improper record keeping or overbilling of payments in excess of five percent (5%) of the amount required to be paid by the Paying Party, such evidence is presented to the Invoicing Party, and the Invoicing Party is unable to reconcile such evidence after being given a reasonable period of time in which to do so, then such cost shall be borne by the Invoicing Party. All overpayments shall be promptly remitted to the Paying Party, together with interest at the prime lending rate established from time to time by Citibank N.A. (or any successor thereto) plus two percent (2%).

Section 9.02. Service Level Audits. Service Recipient may, at its discretion, audit Service Provider for compliance with Service Levels and reporting requirements. Such audit shall occur no more than once per year and the cost of such audit shall be borne by the Service Recipient. Any dispute relating to such Service Level audit shall be resolved in accordance with Section 17.03 below. In connection with any resolution of such dispute by the Industry Expert pursuant to Section 17.03, the Industry Expert shall issue a written report to the parties setting forth its findings, conclusions and recommendations for changes, if any, in the Service Provider's practices. Any Industry Expert shall deliver a reasonably acceptable confidentiality and non-disclosure agreement to the Service Provider prior to being granted access to its operations. In the event a dispute arises of or relating to Article III that cannot be resolved in accordance with Section 17.01, such dispute shall be resolved in accordance with Section 17.03.

Section 9.03. Service Recipient Audits. In the event Reuters is able to provide Moneyline with reasonable evidence that a Permitted Distributor, Moneyline or a Moneyline Client is violating Reuters Intellectual Property Rights in and to the Software, Reuters may send a written demand to Moneyline (together with the evidence) to audit the applicable Permitted Distributor and each Moneyline Client and to allow an independent third party auditor (who shall be subject to a mutually agreeable confidentiality agreement), upon reasonable prior notice, to inspect, audit, monitor and analyze the systems, books, records and activities of Moneyline and each member of the Moneyline Group as reasonably necessary to substantiate the adequacy and completeness of the compliance by Moneyline, the members of the Moneyline Group, each Moneyline Client and each Permitted Distributor with the provisions of this Agreement, including each such party's (i) compliance with the use of Software and (ii) fulfillment of any of its obligations necessary to receive any of the Reuters Transitional Services including obtaining the necessary consents and licenses. Such inspection (i) to the extent Reuters is able to conduct the audit by checking internal systems such as MIS and Vantive without disrupting Moneyline's operations, shall occur once per month or as frequently as Reuters deems reasonably necessary to appropriately monitor the use of such Software, but in no event more than once per week; and (ii) will not commence any later than two (2) years subsequent to the termination of the Agreement. Reuters shall bear the cost of the inspection and audit; provided, however, that if as a result of such audit, Reuters discovers that Moneyline, a Permitted Distributor or a Moneyline Client has substantially failed to comply with the material provisions of this Agreement then Moneyline shall bear the cost of the audit.

Further, if as a result of such audit, Reuters discovers that Moneyline, a Permitted Distributor or a Moneyline Client has failed to comply with the provisions of this Agreement then Moneyline shall, or shall use its commercially reasonable efforts to cause a Moneyline Client or Permitted Distributor to, cure such breach within thirty (30) days of Reuters written notice describing the alleged breach in a reasonable detail; provided however, that if the alleged breach is related to an unauthorized use or disclosure of the Software, the cure period set forth above shall be ten (10) days.

Section 9.04. User Count Audits. Moneyline and Reuters, upon giving the other party thirty (30) days prior written notice (except if such notice is delivered in November or December of any year during the Term, in which case such notice shall be given not less than sixty (60) days prior to the date of the audit), shall have the right to have an independent third party who shall be subject to a reasonably acceptable confidentiality and non-disclosure agreement of the audited party to inspect, audit, copy and analyze such other party's books, systems, and records as reasonably necessary to substantiate any Licensed User and Ticker Plant User count numbers used for the calculations set forth in the Reuters Cost and Resource Schedule and Moneyline Cost and Resource Schedule, during business hours at the other party's place of business. Such inspection (i) shall occur no more than four times per year, (ii) will not commence any later than two (2) years subsequent to the termination of this Agreement and (iii) the party initiating the inspection shall bear the cost of the inspection and audit; provided, however, that in the event during the course of an audit, a party finds evidence that the other party has inaccurately stated its Licensed User and Ticker Plant User count numbers by more than 10 percent (10%) of the number actually reported by such party, and such party is unable to reconcile such evidence after being given a reasonable period of time in which to do so, then such cost shall be borne by the party being audited and not the party which initiated the audit. The party which inaccurately understated its Licensed User and Ticker Plant User count numbers and therefore underpaid any amounts owed shall promptly remit any payments to the other party together with interest at the prime lending rate established from time to time by Citibank N.A. (or any successor thereto) plus two percent (2%).

ARTICLE X

PRODUCT DIFFERENTIATION

Section 10.01. Telerate Product Differentiation. During the period Reuters is providing Services hereunder, the Moneyline Group may not sell in North America (or globally with respect to Telerate Channel) any information service existing as of the Moneyline Closing Date (including Telerate Channel) if such information service: (i) utilizes the Reuters Transitional Services, (ii) contains equity content and (iii) does not also include in that service the highest level of fixed income, commodities, energy and foreign exchange content and analytics (the “**Telerate Content**”) offered in any of Moneyline’s then current service offerings that also contain substantially the same equities content and/or analytics. Notwithstanding the foregoing, the parties agree and acknowledge that (i) currently existing offerings (such as Telerate Energy, Telerate Municipals and Telerate North America) targeting specific markets as such products are currently constituted shall not be subject to the foregoing restriction, and (ii) Moneyline shall not be prohibited from selling its non-equity content to Permitted Distributors. This Section 10.01 shall apply to any offerings of Moneyline existing as of the Moneyline Closing Date and to any other offerings during the Term.

Section 10.02. Reuters Product Differentiation.

(a) For the period of twenty-four (24) months from the date of the Moneyline Purchase Agreement, the Reuters Group may not sell the BridgeStation Version 6.x or BridgeFeed services on a stand-alone basis (i.e., without any other product components) in the Territory.

(b) For the avoidance of doubt, but without intending to limit the obligations of Reuters under this Section 10.02, in no event shall Reuters be restricted in any way by this Agreement in the manner it operates any of its business other than the Reuters/Bridge Business.

Section 10.03. Bridge Redistribution.

(a) Reuters shall have the exclusive right to sell and market Bridge Channel and WDK globally both for internal customer use and for consumer internet applications; provided, however, that the foregoing shall not limit Moneyline or a member of the Moneyline Group from using WDK as specified in Section 6.02(a)(iv), subject to the restrictions set forth therein.

(b) During the period Reuters is providing Services hereunder, the Moneyline Group may not sell or market any Bridge services for customer redistribution to third parties (either B2B2B or B2B2C), other than Permitted Distributors that, in turn, prohibit customer redistribution. For the avoidance of doubt, the foregoing restriction shall not apply to Telerate services (including Telerate Channel), provided that the requirements set forth in Section 10.01 above (Telerate Product Differentiation) are met.

For the avoidance of any doubt, this Section 10.03 shall not apply to Telerate Feed or WDK that include Telerate Content; provided, however, that such services are subject to Section 10.01.

ARTICLE XI

COVENANTS

Section 11.01. Reuters Covenants. Reuters hereby covenants on behalf of itself and each member of the Reuters Group:

(a) to take all reasonable steps to ensure that its employees' ability to access confidential information of Moneyline or a member of the Moneyline Group is limited to the extent reasonably possible and to require any employees who have access to the confidential information of Moneyline or a member of the Moneyline Group to execute standard confidentiality agreements;

(b) that as soon as practicable after Reuters or any member of the Reuters Group reasonably determines that it has the technical capability to provide to Reuters and the applicable members of the Reuters Group any Moneyline Transitional Service provided hereunder or can contract with a third party to receive any Moneyline Transitional Service on commercially reasonable terms, Reuters shall terminate this Agreement with respect to such Moneyline Transitional Service in accordance with the provisions of Section 15.03;

(c) that Reuters and the members of the Reuters Group are responsible for and shall cause and maintain for their own benefit (i) commercial general liability insurance coverage with respect to the operations to be conducted by Reuters utilizing the Moneyline facilities and Moneyline Transitional Services to be provided hereunder and (ii) all insurance coverage, required by Federal, State or local law, including workers' compensation insurance and employer's liability coverage for all employees of Reuters and members of the Reuters Group who utilize Moneyline facilities and Moneyline Transitional Services;

(d) if Reuters or a member of the Reuters Group receives payments from Moneyline Clients for Moneyline's services, the applicable members of the Reuters Group will remit such payments to Moneyline or members of the Moneyline Group, as applicable, as promptly as practicable;

(e) Reuters and members of the Reuters Group will comply with all applicable federal, state and local laws and regulations and obtain and maintain all required licenses and consents to receive and use the Moneyline Transitional Services;

(f) Reuters shall and shall cause all members of the Reuters Group to comply with the terms of this Agreement; and

(h) Reuters shall, and shall ensure that the applicable member of the Reuters Group ensure that its or their respective personnel shall, comply with reasonable security, confidentiality and operational requirements at the Facilities and Equipment Locations and any other part of the Moneyline network as notified in writing (including by way of reasonably prominent notice) to Reuters or a member of the Reuters Group by Moneyline or the applicable member of the Moneyline Group.

Section 11.02. Moneyline Covenants. Moneyline hereby covenants on behalf of itself and each member of the Moneyline Group:

(a) to take all reasonable steps to ensure that its employees' ability to access confidential information of Reuters or a member of the Reuters Group is limited to the extent reasonably possible and to require any employees who have access to the confidential information of Reuters or a member of the Reuters Group to execute standard confidentiality agreements;

(b) that as soon as practicable after Moneyline or any member of the Moneyline Group reasonably determines that it has the technical capability to provide to Moneyline and the applicable members of the Moneyline Group any Reuters Transitional Service provided hereunder or can contract with a third party to receive any Reuters Transitional Service on commercially reasonable terms, Moneyline shall terminate this Agreement with respect to such Reuters Transitional Service in accordance with the provisions of Section 15.02;

(c) that Moneyline and the members of the Moneyline Group are responsible for and shall cause and maintain for their own benefit (i) commercial general liability insurance coverage, with respect to the operations to be conducted by Moneyline utilizing the Reuters facilities and Reuters Transitional Services to be provided hereunder and (ii) all insurance coverage required by Federal, State or local law, including workers' compensation insurance and employer's liability coverage for all employees of Moneyline and members of the Moneyline Group who utilize Reuters facilities and Reuters Transitional Services;

(d) if Moneyline or a member of the Moneyline Group or any Permitted Distributor receives payments from customers of Reuters or members of the Reuters Group for Reuters services, the receiving party will remit such payments to Reuters or members of the Reuters Group as promptly as practicable;

(e) Moneyline and members of the Moneyline Group and all Permitted Distributors will comply with all applicable federal, state and local laws and regulations and obtain and maintain all required licenses and consents to receive and use the Reuters Transitional Services;

(f) Moneyline shall be solely responsible for ensuring the delivery of all the Moneyline Exclusive Content to the Reuters Network;

(g) Moneyline shall and shall cause all members of the Moneyline Group and all Permitted Distributors to comply with the terms of this Agreement;

(h) Moneyline shall, and shall ensure that the applicable member of the Moneyline Group ensure that its or their respective personnel shall, comply with reasonable security, confidentiality and operational requirements at the Facilities and Equipment Locations and any other part of the Reuters Network as notified in writing (including by way of reasonably prominent notice) to Moneyline or a member of the Moneyline Group by Reuters or the applicable member of the Reuters Group;

(i) In relation to Reuters Office Automation Network or any other part of the Reuter Network, Moneyline shall be responsible for ensuring that: (i) all employees and contractors of any member of the Moneyline Group or any Permitted Distributor are subject to confidentiality requirements at least on the same terms as those under the Agreement; and (ii) that all such employees and contractors are aware of and comply with Reuters security and operational requirements. Moneyline shall be responsible for all and any failures by employees and contractors of any member of the Moneyline Group or any Permitted Distributor to comply with Reuters security, confidentiality or operational requirements.

(j) Moneyline shall, and shall cause each member of the Moneyline Group and each Permitted Distributor to, transfer and assign to Reuters, or to one or more members of the Reuters Group designated by Reuters, all contracts (whether written or oral) between any member of the Moneyline Group or any Permitted Distributor (or any Affiliate of Bridge from whom a member of the Moneyline Group or Permitted Distributor acquired assets related to the sale or distribution of BridgeChannel or TelerateChannel) and Moneyline Clients in the Territories pursuant to which contracts Moneyline Clients were receiving the BridgeChannel service as of the Moneyline Closing Date (the "BridgeChannel Contracts"), a complete list of which is attached as Exhibit N hereto. The parties agree that Moneyline agreed that no additional consideration from Reuters is required for such assignment. The parties further agree that Reuters is entitled to all the benefits of the BridgeChannel Contracts from the Moneyline Closing Date to the effective date of any assignment or transfer to Reuters. For purposes of Section 15.04 of this Agreement, a breach by Moneyline of this Section 11.02(j) shall not be considered "material".

Section 11.03. Limitation on Obligations.

(a) Except as specifically provided in this Agreement or a schedule hereto, neither the Service Provider nor a member of the Service Provider's Group shall be required to verify the accuracy of any requests for Services submitted by the Service Recipient or any member of the Service Recipient's Group or that any such orders have been appropriately authorized within the Service Recipient's organization or any member of the Service Recipient Group's organization;

(b) neither the Service Provider nor any member of the Service Provider's Group or its or their employees shall be required to participate in the Service Recipient's or a member of the Service Recipient Group's sales, pre-sales or client development activities; and

(c) Reuters acknowledges and agrees that Moneyline is the sole owner of legacy Telerate infrastructure or products that pre-date the integration by Bridge of the Telerate Business including as set forth on Exhibit L, ADDs, SPS, and the Telerate authorization systems (TWAS) and any related systems designed to integrate the legacy systems into the Reuters Network or system including the ADD server and page manipulation software and any related new functionality or enhancements and in no event shall Reuters or a member of the Reuters Group or its or their respective employees be required to provide any Services in relation thereto. For the avoidance of doubt, all content, data, results and products derived from any or all of the foregoing are the sole property of Moneyline and Reuters has no right therein or thereto. To the extent that Reuters or any member of the Reuters Group have, prior to the Effective Date, supported the legacy Telerate infrastructure or products and Reuters desires to cease such support, Reuters shall notify Moneyline in writing at least thirty (30) days prior to the effective date of such termination and shall cooperate reasonably with Moneyline to transfer all support obligations to Moneyline or its designee or the Reuters Transitional Employees.

ARTICLE XII

REPRESENTATIONS AND DISCLAIMER OF WARRANTIES, LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 12.01. Authority. Each party represents that it has the requisite corporate authority to enter into this Agreement and to execute, deliver and perform its obligations under this Agreement.

Section 12.02. No Conflict. Each party represents and warrants that such party's entry into and performance under this Agreement will not conflict with, violate or be prevented by its charter or by-laws or any other agreements to which such party is a party.

Section 12.03. Disabling Device. Reuters represents and warrants that prior to delivery, it shall scan the Software licensed pursuant to Article VI in accordance with its own standard practice for scanning licensed software and it shall not knowingly install any "virus," "lockup," "time-bomb," "worm," or "key lock" device or program, or disabling code.

Section 12.04. Title to Property. Reuters represents that it has all right, title and interest in and to the Intellectual Property Rights necessary to provide the Reuters Transitional Services and to enable Reuters to comply with Article VI of this Agreement and that its execution of this Agreement does not violate any contract to which it currently is a party or violate the rights of any third parties. Reuters further represents that fulfilling its obligations under this Agreement (i) does not now and will not infringe upon or violate any copyright, patent, trade secret, contract right or other third party right, and (ii) does not now and will not violate any federal, state, or local law or regulation.

Section 12.05. Responsibility for Errors and Omission of Services; Remedies for Errors and Omissions of Services.

(a) Except as otherwise expressly provided in this Article XII, the sole responsibility of the applicable Service Provider (including any member of the Service Provider's Group) to the Service Recipient or any member of the Service Recipient's Group for errors or omissions in the respective Services provided hereunder, other than any credits or other remedies set forth in Schedules in 3.01 and 3.02, shall be to use its commercially reasonable efforts to make such Services available and/or to resume performing such Services as promptly as reasonably practicable or, in the case of data processing and common support services, to furnish correct information, payment and/or adjustment to such Services, in each case at no additional cost or expense to the Service Recipient; provided, that the Service Recipient shall promptly notify the applicable Service Provider of any such errors or omissions.

Section 12.06. Liability for Services. Neither Reuters nor any member of the Reuters Group nor, to the extent applicable, Moneyline nor any member of the Moneyline Group shall be liable for any failure to provide a Service or any errors or omissions in providing such Service if, but only to the extent that:

(i) the Service Recipient fails to use a Service in accordance with agreed procedures or specified manuals or otherwise in accordance with the reasonable instructions of the Service Provider;

(ii) the failure, error or omission is due to changes or modifications, (whether or not such changes were made by the Service Recipient) to software, hardware or other systems utilized by such Service Recipient unless such changes or modifications are made by or pursuant to and in accordance with the explicit instructions of the Service Provider;

(iii) the failure, error or omission in providing Services is caused by faults in the software and systems procured by the Service Recipient other than from the Service Provider; or

(iv) a reduction in the Service Level or failure to provide a Service is directly attributable to an act or omission by the Service Recipient.

Section 12.07. **REUTERS DISCLAIMER OF WARRANTIES.** EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE XII OF THIS AGREEMENT, REUTERS, ON BEHALF OF ITSELF, EACH MEMBER OF THE REUTERS GROUP AND ANY THIRD PARTY SERVICE PROVIDER, DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SOFTWARE, EJV SELF-SOURCED CONTENT AND THE SERVICES. REUTERS MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES FOR ANY PURPOSE OR USE. IN ADDITION, REUTERS MAKES NO WARRANTY, EXPRESS OR IMPLIED AS TO THE RESULTS THAT MAY BE OBTAINED FROM THE EJV SELF-SOURCED CONTENT.

Section 12.08. **MONEYLINE DISCLAIMER OF WARRANTIES.** EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE XII OF THIS AGREEMENT, MONEYLINE, ON BEHALF OF ITSELF, EACH MEMBER OF THE MONEYLINE GROUP AND ANY THIRD PARTY SERVICE PROVIDER, DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE SERVICES AND/OR THE MONEYLINE IP. MONEYLINE MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE QUALITY, SUITABILITY OR ADEQUACY OF THE SERVICES AND/OR THE MONEYLINE IP FOR ANY PURPOSE OR USE.

Section 12.09. **Limitation of Liability; Indemnification of Moneyline.**

(a) Except as expressly set forth in Article III or in Sections 12.09(b) or 23.02(c) hereof, neither Reuters nor any member of the Reuters Group nor any Third Party Service Provider of Reuters shall have any liability to Moneyline, any member of the Moneyline Group or any third party with respect to any claims, liabilities, obligations, losses, costs, expenses, litigation, proceedings, assessments, charges, demands, settlement amounts or judgments of any kind or nature whatsoever, including reasonable attorneys' fees and including claims by third parties (individually, a "**Loss**" and collectively, "**Losses**") arising from or with respect to the furnishing of any Reuters Transitional Services and Software licenses hereunder.

(b) Subject to the limitations provided in Section 12.05 and in addition to its obligations under Section 23.02(c), Reuters shall be solely liable and responsible for, and shall indemnify and hold harmless Moneyline, the members of the Moneyline Group, and its

directors, officers and employees from, any and all Losses arising from (i) any material breach by Reuters or any member of the Reuters Group under this Agreement, (ii) the gross misconduct or willful misconduct of Reuters or any member of the Reuters Group with respect to the performance of the Reuters Transitional Services to be provided hereunder, (iii) any and all Losses relating to third-party claims arising from or with respect to the furnishing of any Moneyline Transitional Services except to the extent covered by clauses (i) or (ii) of this Section 12.09(b), (iv) any and all Losses arising from claims made by Reuters customers relating to the provision by Moneyline of any billing and collection services and (v) any claims arising from the failure of Reuters to obtain such consents, licenses, sublicenses or approvals necessary for the performance of the Moneyline Transitional Services, and (vii) any unlawful termination of a Reuters Transitional Employee.

(c) Upon termination of this Agreement, Reuters and any members of the Reuters Group and any Third Party Service Provider of Reuters shall be obligated to return to Moneyline or any members of the Moneyline Group, (i) immediately, all Moneyline IP and shall immediately cease use of all Moneyline IP unless otherwise agreed in writing by Moneyline, (ii) immediately return to Moneyline and delete from all Reuters system all historical data derived from Moneyline Exclusive Content and (iii) as soon as is reasonably practicable, any equipment or other property of Moneyline or any member of the Moneyline Group relating to the terminated Reuters Transitional Services which is in its control or possession.

Section 12.10. Limitation of Liability; Indemnification of Reuters.

(a) Except as set forth in Article III or Sections 12.10(b) or 23.02(c), neither Moneyline nor any member of the Moneyline Group nor any Third Party Service Provider of Moneyline shall have any liability to Reuters, any member of the Reuters Group or any third party with respect to any Losses arising from or with respect to the furnishing of any Moneyline Transitional Services or Moneyline IP hereunder. (b) Subject to the limitations provided in Section 12.05 and in addition to its obligations set forth in Section 23.02(c), Moneyline shall be solely liable and responsible for, and shall indemnify and hold harmless Reuters, the members of the Reuters Group, and its directors, officers and employees from, (i) any and all Losses arising from any material breach by Moneyline or any member of the Moneyline Group under this Agreement, (ii) any and all Losses arising from gross negligence or willful misconduct of Moneyline or any member of the Moneyline Group with respect to the performance of the Moneyline Transitional Services to be provided hereunder, (iii) any and all Losses arising from or related to claims made by Content Providers arising from (a) the distribution of content by Reuters on behalf of Moneyline or a member of the Moneyline Group to Moneyline Clients or Permitted Distributors or (b) a Moneyline Group reporting or payment obligations to such Content Providers relating to the business of Moneyline, (iv) any and all Losses relating to third-party claims including claims by Moneyline Clients, arising from or with respect to the furnishing of any Reuters Transitional Services except to the extent covered by clauses (i) or (ii) of this Section 12.10(b), (v) any and all Losses arising from or related to claims made by Moneyline Clients relating to the provision by Reuters of billing and collection services (to the extent such Losses do not result from a breach of this Agreement by Reuters or a member of the Reuters Group), (vi) any and all Losses arising from or related to claims by Reuters Transitional Employees terminated by Reuters pursuant to Section 5.05 except as provided in Section 12.09(b)(vii), and (vii) any and all Losses arising from the failure of Moneyline to obtain such consents, licenses, sublicenses or approvals necessary for the performance of the Reuters Transitional Service.

Reuters pursuant to Section 5.05 except as provided in Section 12.09(b)(vii), and (vii) any and all Losses arising from the failure of Moneyline to obtain such consents, licenses, sublicenses or approvals necessary for the performance of the Reuters Transitional Service.

(c) Upon termination of this Agreement, Moneyline shall, and shall cause all members of the Moneyline Group, Permitted Distributors and Moneyline Clients to, return to Reuters or any members of the Reuters Group, (i) immediately, all intellectual property of the Reuters Group (including the Bridge Trademarks and the Software) and immediately cease use of the same unless otherwise agreed in writing by Reuters, (ii) immediately cease any use of, and as soon as reasonably practicable return to Reuters and delete from all Moneyline's systems, all historical data derived from Reuters Exclusive Content and any data (howsoever stored or combined with other data) that was produced by any member of the Reuters Group (commonly referred to as "self-sourced data"), and (iii) as soon as is reasonably practicable, any equipment or other property of Reuters or any member of the Reuters Group relating to the terminated Moneyline Transitional Services which is in its control or possession.

Section 12.11. Liability Cap. The aggregate cumulative liability of Reuters or a member of the Reuters Group or a Third Party Service Provider of Reuters, on the one hand and Moneyline or a member of the Moneyline Group or a Third Party Service Provider of Moneyline, on the other hand, under this Agreement or the transactions contemplated hereby or thereby, whether in contract, tort (including negligence), warranty or otherwise, will not exceed [* * * * *] provided, however, that this limitation shall not apply to liabilities that are finally determined by a court of competent jurisdiction in a non-appealable order to have resulted from a party's willful misconduct, a breach of a party's obligation of confidentiality under Article XVI, and to Section 8.06 and to clause (iii) and (iv) of Section 12.09(b) and clauses (iii), (iv), (v), (vi) and (vii) of Section 12.10(b).

Section 12.12. Exclusion of Liability. EXCEPT AS PROVIDED IN THIS ARTICLE XII, IN NO EVENT SHALL REUTERS OR ANY MEMBER OF THE REUTERS GROUP OR ANY THIRD PARTY SERVICE PROVIDER OF REUTERS OR MONEYLINE OR A MEMBER OF THE MONEYLINE GROUP OR A THIRD PARTY SERVICE PROVIDER OF MONEYLINE HAVE ANY LIABILITY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR FOR ANY LOST PROFITS, WHETHER OR NOT CAUSED BY OR RESULTING FROM NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF ANY OBLIGATIONS HEREUNDER, AND WHETHER OR NOT INFORMED OF THE POSSIBILITY OF THE EXISTENCE OF SUCH DAMAGES.

Section 12.13. Exclusion Of Certain Other Liability. EXCEPT AS PROVIDED IN SECTION 23.02 AND THIS ARTICLE XII, NO PARTY TO THIS AGREEMENT OR ANY MEMBER OF ITS GROUP SHALL BE LIABLE TO THE OTHER PARTY, IN CONTRACT (INCLUDING UNDER ANY INDEMNITY), TORT, WARRANTY, STRICT LIABILITY OR ANY OTHER LEGAL THEORY FOR ANY LOSS THAT IS CAUSED BY A BREACH OF THIS AGREEMENT OR ANY ACT OR OMISSION OF EITHER PARTY. EACH OF THE PARTIES SHALL CAUSE THAT NO MEMBER OF ITS GROUP (OR, IN THE CASE OF MONEYLINE, ANY PERMITTED DISTRIBUTOR) SHALL BRING ANY ACTION, CLAIM OR PROCEEDINGS AGAINST THE OTHER PARTY OR A MEMBER OF THE OTHER PARTY'S GROUP, OTHER THAN IN THE CIRCUMSTANCES EXPRESSLY CONTEMPLATED BY SUCH SECTIONS.

Section 12.14. Remedies for Breach. The only remedies in respect of a breach of this Agreement are those remedies expressly set out in this Agreement.

ARTICLE XIII

CONTACT PERSON

Section 13.01. Contact Person. Reuters shall appoint, for each of the Services being provided as set out in each Schedule of Services, an employee or a consultant as the primary contact person for Moneyline with respect to each of the Reuters Transitional Services and Moneyline shall appoint, for each of the Services being provided as set out in each Schedule of Services, an employee or a consultant as the primary contact person, for each operational area, for Reuters with respect to each of the Moneyline Transitional Services (the “**Contact Person**”). A party may change its Contact Person at any time upon notice to the other party as provided for in this Agreement.

ARTICLE XIV

THIRD PARTY CONTENT

Section 14.01. Obligations of Moneyline. Moneyline represents and warrants that:

(a) Moneyline or a member of the Moneyline Group has entered into a license or agreement or arrangement (“**Content License**”) entitling the relevant members of the Moneyline Group and/or Permitted Distributors to receive and/or distribute in electronic form any news, information, indices, data, analysis or other content that is covered in the Reuters Transitional Services. Whenever during the Term, any member of the Moneyline Group enters into any additional Content Licenses or whenever any then existing Content Licenses are terminated for any reason, Moneyline shall promptly provide Reuters with written notice thereof.

(b) At all times during the Term, Moneyline has, and shall maintain in full force and effect, validly existing Content Licenses that permit the use of all content provided by such Content Providers in whatever manner such content is in fact used in connection with the business of any member of the Moneyline Group or any Permitted Distributor at any time during the Term.

(c) None of the Content Licenses in effect at any time during the Term reference or are in any way contingent upon any agreements between Reuters and the relevant Content Providers or create or imply any obligations or liabilities (whether actual or contingent) on the part of Reuters.

(d) Reuters shall have no liability whatsoever relating to such compliance, including compliance with Moneyline’s relevant content usage reporting obligations arising out of Content Licenses.

Section 14.02. Permissioning. Moneyline acknowledges that Reuters shall not be required to distribute content to Moneyline Clients unless Moneyline obtains, and certifies to Reuters in writing that it has obtained, the necessary Content Licenses. Reuters may, in its discretion, require as a further condition that Moneyline procure written confirmation of a valid Content License directly from the relevant Content Provider.

Section 14.03. Termination of Content Distribution. In the event any Content Provider at any time (i) notifies Reuters in writing that it should discontinue distributing that Content Provider's content to Moneyline Clients, (ii) refuses to enter into a Content License with Moneyline, or (iii) asserts or claims that Reuters is in any way liable to such Content Provider in connection with the distribution of content to Moneyline Clients, Reuters shall be entitled to immediately discontinue distributing such Content Provider's content; provided that (i) Reuters has given Moneyline notice within twenty-four (24) hours of receipt of such notification, assertion or claim indicating the reason why Reuters is discontinuing distribution and (ii) Moneyline fails to remedy the situation within the cure period of the applicable Content License or within the cure period allowed to Reuters by the Content Provider, whichever is shorter, or if the situation has not given rise to a breach of the relevant Content License, then within ten (10) Business Days. Any actions by Reuters in discontinuing distributing content pursuant to this Section 14.03 shall not constitute a breach of this Agreement by Reuters.

ARTICLE XV

TERM AND TERMINATION

Section 15.01. Term. Except where a shorter term is set forth in a Schedule for a particular Service or for a particular Software License Term and subject to Section 15.07, the term of this Agreement shall commence on the Effective Date and shall remain in effect until four (4) years from the Effective Date unless earlier terminated pursuant to Section 11.01(b), 11.02(b), or the terms of this Article XV (the "**Term**").

Neither party may terminate this Agreement for any reason or on any basis other than as expressly set forth in this Article XV.

Section 15.02. Termination of Reuters Transitional Services by Moneyline.

(a) Except as otherwise specified in any applicable Schedule, Moneyline may terminate this Agreement with respect to all, or with respect to any one or more of the Reuters Transitional Services provided hereunder at any time and from time to time, for any reason or no reason, by giving notice to Reuters at least thirty (30) days prior to the date of such termination;

(b) Moneyline shall terminate this Agreement with respect to any Reuters Transitional Service provided hereunder where it has reasonably determined such Reuters Transitional Service can be provided by Moneyline or any member of the Moneyline Group or a Third Party Service Provider as contemplated under Section 11.02(b) hereof by giving notice to Reuters at least thirty (30) days prior to such termination; and

(c) If any termination hereunder results in documented costs incurred by Reuters from a third party solely due to such termination, Moneyline shall be responsible for and shall indemnify Reuters for all such costs.

Section 15.03. Termination of Moneyline Transitional Services by Reuters.

(a) Except as otherwise specified in any applicable Schedule, Reuters may terminate this Agreement with respect to all, or with respect to any one or more of the Moneyline Transitional Services provided hereunder at any time and from time to time, for any reason or no reason, by giving notice to Moneyline at least thirty (30) days prior to the date of such termination;

(b) Reuters shall terminate this Agreement with respect to any Moneyline Transitional Service provided hereunder where it has determined that such Moneyline Transitional Service can be provided by Reuters or any member of the Reuters Group or a Third Party Service Provider as contemplated under Section 11.01(b) hereof by giving notice to Moneyline at least thirty (30) days prior to such termination; and

(c) If any termination hereunder results in documented costs incurred by Moneyline from a third party solely due to such termination, Reuters shall be responsible for and shall indemnify Moneyline for all such costs.

Section 15.04. Termination of the Agreement by Either Party. Either Moneyline or Reuters may terminate the Agreement:

(a) if the other party hereto or any member of its Group has failed to a material degree to perform or comply with or has breached to a material degree any representation, warranty, term, condition or obligation under this Agreement, and such Person has failed to cure such failure or violation within thirty (30) days after receiving notice thereof;

(b) if the other party hereto or any member of its Group has failed to pay any invoice that is not the subject of a bona fide dispute, as provided by Section 8.04 of this Agreement, within thirty (30) days of the date on which such payment is due and notice thereof has been provided; and

(c) if the other party hereto or any member of its Group becomes the subject of a voluntary or involuntary bankruptcy, insolvency, reorganization or liquidation proceeding, makes an assignment for the benefit of creditors, or is unable to pay its debts when due, immediately upon giving written notice to the other party.

Section 15.05. Termination of Software Licenses by Reuters. In addition to its rights under Section 15.04, Reuters may terminate Moneyline's license rights to any of the Software if Moneyline materially breaches its obligations under Article VI of this Agreement relating to such Software or materially breaches its Software usage reporting obligations under Reuters Cost and Resource Schedule relating to such Software, and fails to cure such breach within thirty (30) days after receiving notice thereof from Reuters.

Section 15.06. Termination of Less than All of the Services. In the event of any termination with respect to one or more, but less than all Services, this Agreement shall continue in full force and effect with respect to any Services not terminated pursuant to this Agreement.

Section 15.07. Post-Term. Upon the expiration or earlier termination of the scheduled Term for any reason, the following terms and conditions shall apply:

(a) Moneyline agrees that it will have no right to damages or indemnification of any nature due to any expiration or termination of this Agreement, specifically including commercial severance pay whether by way of loss of future profits, payment for goodwill generated or other commitments made in connection with the business contemplated by this Agreement or other similar matters.

(b) Moneyline agrees to, and to cause its Permitted Distributors, to immediately (i) cease all use of the Software and any marketing and distribution activities relating to the Software, (ii) destroy or return to Reuters the original and all copies of the Software and Documentation, including any such copies returned to it by its customers and (iii) take all reasonably commercial efforts to retrieve and return all copies of the any Software and Documentation given to any third parties.

(c) The payment obligations pursuant to Article VIII will survive any termination of this Agreement if, and to the extent, any fees have accrued or are otherwise due and owing as of the date of termination of this Agreement, and such payment obligations should be remitted promptly to the Invoicing Party.

(d) The perpetual licenses granted pursuant to Sections 6.02(a)(ii) and (iii) and 6.02(b)(ii) and (iii) will survive any termination of this Agreement and the legacy licenses granted pursuant to Section 6.06 will survive any termination of this Agreement for the period specified in Section 6.06, in each case if, and to the extent, not terminated pursuant to Section 15.04 or Section 15.05, which sections shall also survive any termination of this Agreement.

(e) Any rights arising out of a breach of any terms of this Agreement will survive any termination of this agreement.

(f) The representations and warranties of the parties contained in this Agreement shall survive for a period of one year following termination or expiration.

(g) The provisions of Article XII and Article XXIII and any term or condition of this Article XV that must survive in order to give it full force and effect shall survive the expiration or earlier termination of this Agreement.

(h) Cooperation. The Service Provider will (i) meet with the Service Recipient as soon as practicable after a notice of termination or partial termination has been given or, if no notice of termination is given, not less than three (3) months prior to the expiration of the term of a Service, to discuss the specific arrangements required to effect a transition of the applicable Services, (ii) assist the Service Recipient in effecting a transition of the applicable Services, in accordance with industry best practices, to the Service Recipient or another service provider chosen by the Service Recipient, and (iii) be compensated for all Services and Migration Services as set forth on Reuters Cost and Resource Schedule as a standard service, so long as such services are performed by employees included in Reuters Fixed Cost Services. For the avoidance of doubt, Services and Migration Services provided under this Section shall not bear Additional Services fees or Extraordinary Costs fees when such services are performed by existing employees.

(i) Specific Migration Services. In addition to the foregoing, Reuters or the applicable member of the Reuters Group upon expiration of this Agreement or termination of this Agreement by Moneyline for a breach by Reuters will specifically provide each of the following services to Moneyline (“**Migration Services**”):

(1) **Shared Administrative Systems**. Reuters staff involved with Shared Administrative Systems shall be available to train, coordinate with, and provide information technology support for MIS and Vantive Logic, business rules, file formats and data extraction support in conformity with industry standard practices for migration of CRM and permissioning capabilities.

(2) **Historical Data Extracts**. Upon request from Moneyline, Reuters staff provide file extracts definitions so that Moneyline may remove all fields of all the historical data time series for Shared Content and Moneyline Exclusive Content; provided, that at the time of such request, Moneyline has a content agreement in place with respect to such Shared Content and Moneyline Exclusive Content.

(3) **Access Bits**. Reuters will provide business rules logic for the permissioning capability known as access bits. Data extraction services of all access bits for all User Ids and the assigned passwords will be provided upon request.

ARTICLE XVI

CONFIDENTIALITY

Section 16.01. Confidential Information. For purposes of this Agreement, “**Confidential Information**” of a party shall mean any know-how, processes, procedures, techniques, ideas, inventions (whether or not patentable), formulas, algorithms, computer programs, databases, technical drawings, designs, circuits, layouts, interfaces, schematics, names and information about the expertise of employees or consultants, customer lists and contact information, product pricing information, product development plans, business analyses, information relating to sales, cost or pricing, marketing data, and business forecasts, projections and strategies, as well as any other information provided by one party or a member of its Group (the “**Disclosing Party**”) to the other party or a member of its Group (the “**Receiving Party**”) that is (i) marked “**Confidential**” or “**Proprietary**” with other prominent notations of similar import, (ii) would be deemed by a reasonable person to be confidential, or (iii) the parties agree in writing will be considered Confidential Information under this Agreement. Except for the provisions set forth in Article XII of this Agreement and the Reuters Cost and Resource Schedule and the Moneyline Cost and Resource Schedule, which shall be deemed to be Confidential Information, the parties acknowledge that the terms and conditions and existence of this Agreement shall not be deemed to be Confidential Information.

Section 16.02. Use of Confidential Information. The Receiving Party agrees that it will not use or disclose to any third party any Confidential Information of the Disclosing Party except (a) as expressly permitted under a written agreement between the Receiving Party and the Disclosing Party; (b) to the extent necessary to provide Services (but subject to any express limitations or restrictions on the use of such Confidential Information set forth in a written agreement between the Receiving Party and the Disclosing Party); (c) to financial institutions, investors and prospective investors, agents and representatives of the receiving party for the sole purpose of a legitimate investment interest, all of which shall be under obligation of confidentiality, (d) to the extent necessary in the course of legal proceedings to establish the

Receiving Party's rights or obligations or to comply with a valid court order or subpoena (provided that the Receiving Party has notified the Disclosing Party thereof and used all reasonable efforts to obtain a protective order or otherwise lawfully contest or seek to limit the scope of the disclosure), or (e) to the extent required by the Securities Exchange Commission or by any securities exchange or by law or by any other governmental agency or authority requiring such disclosure as part of a public filing or otherwise.

Section 16.03. Protection Against Unauthorized Use or Disclosure. The Receiving Party will limit access to the Disclosing Party's Confidential Information to those of the Receiving Party's employees and contractors who have a need to know, who have confidentiality obligations no less restrictive than those set forth herein, and who have been informed of the confidential nature of such information. In addition, the Receiving Party will protect the Disclosing Party's Confidential Information from unauthorized use, access, or disclosure in the same manner as the Receiving Party protects its own proprietary information of a similar nature, and in no event with less than reasonable care.

Section 16.04. Return of Confidential Information. Upon the request of the Disclosing Party, the Receiving Party shall promptly return the Confidential Information (including any copies, extracts, and summaries thereof, in whatever form and medium recorded) to the Disclosing Party or, with the Disclosing Party's prior written consent, shall promptly destroy it and provide the Disclosing Party with written certification of such destruction.

Section 16.05. Waiver. The Receiving Party may request in writing that the Disclosing Party waive all or any portion of the Receiving Party's responsibilities relative to the Disclosing Party's Confidential Information. Such waiver request shall identify the affected information and the nature of the proposed waiver. The Disclosing Party shall respond within a reasonable time and, if it determines, in its sole discretion, to grant the requested waiver, it will do so in writing by the signature of an employee authorized to grant such request. Any failure by a party not to respond to such request will not be deemed approval of such request.

Section 16.06. Remedy. Reuters and the members of the Reuters Group and Moneyline and the members of Moneyline Group acknowledge that any disclosure or misappropriation of Confidential Information in violation of this Agreement could cause irreparable harm, the amount of which may be difficult to determine, thus potentially making any remedy at law or in damages inadequate. Each party, therefore, agrees that the other party shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Section and for any other appropriate relief. This right shall be in addition to, and not in lieu of, any other remedy available in law or equity.

Section 16.07. Exclusion from Confidential Information. Notwithstanding the foregoing, this Section will not apply to any information which the Receiving Party can demonstrate was:

- (1) at the time of disclosure to the Receiving Party, in the public domain;
- (2) after disclosure to the Receiving Party, published or otherwise became part of the public domain through no fault of the Receiving Party;

- (3) in the possession of the Receiving Party at the time of disclosure to it and not already covered under any other confidentiality agreement between the Disclosing Party and the Receiving Party;
- (4) received after disclosure to it from a third party who had a lawful right to disclose such information to the Receiving Party; or
- (5) independently developed by the Receiving Party without reference to Confidential Information of the Disclosing Party.

Section 16.08. Survival. This Article XVI shall survive the termination of the Agreement for a period of three (3) years or, with respect to know-how, processes, procedures, techniques, ideas, inventions (whether or not patentable), formulas, algorithms, computer programs, databases, technical drawings, designs, circuits, layouts, interfaces, materials, schematics (“Technology”), for so long as such Technology retains commercial value.

Section 16.09. Bridge Symbols.

(a) Reuters hereby grants to Moneyline a limited worldwide, non-transferable, non-exclusive, royalty-free license for the duration of the Term to use only those symbols utilized in the Ticker Plant to identify and display Shared Content and Moneyline Exclusive Content (“**Bridge Symbols**”) for the sole purpose of enabling Moneyline Clients to access and view such content. For avoidance of doubt, Bridge Symbols do not include RICs; and this license shall not be deemed to constitute a grant of any rights in or to RICs.

(b) Subject to clause (c) below, for a period of four (4) years following termination of this Agreement, Moneyline shall have the right to continue using those Bridge Symbols representing Shared Content and Moneyline Exclusive Content for the sole purpose of enabling Moneyline Clients to access and view such content; provided, however, that with respect to the root symbols underlying the Moneyline Exclusive Content, Reuters thereafter grants to Moneyline a perpetual, worldwide, irrevocable, non-exclusive, royalty-free license to enable Moneyline, Moneyline Clients and Moneyline designees to access and view such content. Reuters shall have no obligation to maintain, update or modify such Bridge Symbols or provide Moneyline with access to any other Bridge Symbols following termination of this Agreement.

(c) In the event that this Agreement is terminated by Reuters pursuant to Section 15.04, the license granted pursuant to this Section 16.09 shall automatically terminate with immediate effect.

ARTICLE XVII

DISPUTE RESOLUTION

Section 17.01. Dispute Resolution. In the event that any dispute between the parties hereto arises from or concerns in any manner the subject matter of this Agreement, each party will attempt, in good faith, to resolve such dispute through discussion between its employees in the following order: first, within five (5) days of receipt of any written request by Reuters or a member of the Reuters Group or Moneyline or a member of the Moneyline Group, as the case may be, of a dispute hereunder (a “**Dispute Notice**”), the relevant Contact Person of each of

Moneyline and Reuters shall attempt to resolve the dispute; in the event the relevant Contact Persons are unable to resolve such dispute within ten (10) days of receipt of a Dispute Notice, then, comparable executives of each of Moneyline and Reuters shall meet in person to resolve such dispute; and finally in the event the respective executives are unable to resolve such dispute within ten (10) days of receipt of a Dispute Notice, then the President of Reuters Business Technology Group (or officer of equivalent rank) and the Chief Financial Officer (or officer of equivalent rank) of Moneyline shall meet in person to resolve such dispute. If the respective officers cannot resolve the dispute within ten (10) days of such dispute being submitted to them ("**Negotiation Period**"), the dispute resolution mechanism set forth in Sections 17.02, 17.03 and 17.04 shall be employed as appropriate. Any meetings between the employees set forth above may occur in New York, New York, if such meeting is to be in person, or may occur via telephone or videoconference, as the parties may mutually determine. This Section 17.01 shall not prohibit either party from seeking equitable relief.

Section 17.02. Article Eight Disputes. Any dispute arising from or relating to Article VIII after its failure to be adequately be resolved pursuant to Section 17.01 may be immediately submitted by either party to the final and binding determination of a mutually agreed upon expert in matters of and relating to Article VIII and generally to pricing and accounting matters ("**Financial Expert**"). The Financial Expert shall be selected from the top four (4) accounting firms then existing in the United States as ranked by fee income in the most recent ranking by The International Accounting Bulletin, or another mutually agreed publication. Each party shall be entitled to eliminate one (1) of the top four (4) firms from consideration for the role of Financial Expert. If after elimination by both parties, there remains only one accounting firm, then this firm shall be deemed to have been selected by the parties. If after elimination there remains more than one firm that is eligible to be chosen as the Financial Expert, the Financial Expert shall be chosen by random selection. The Managing Partner (or equivalent) of the selected firm shall appoint a Partner of the firm who has not worked on the Moneyline and/or Reuters account to be the Financial Expert. In the event that the Managing Partner of the selected firm declines on behalf of his firm to undertake the role of Financial Expert, the selection process set out above will be repeated with the previously selected firm removed from the top four selection and replaced by the next highest ranking firm. This procedure shall be repeated until a Financial Expert is chosen. In the event that the selection procedure outlined above does not produce a firm willing to accept the role of Financial Expert, then the Financial Expert shall be chosen by random selection from all of the Top 10 ranked firms without elimination. The Financial Expert is not empowered to award treble, punitive or any other damages in excess of compensatory damages, and each party irrevocably waives any claim to recover any such damages. The Financial Expert shall make a reasoned award within forty-five (45) days of receiving such Dispute and such award rendered by the Financial Expert shall be final and binding between the parties, their successors and assigns, and each shall comply with the decision in good faith. In any dispute arising from Article VIII, in the event that the Invoicing Party prevails, the Invoicing Party may charge interest on such disputed amount from the due date to the date such sum is paid at the prime or base lending rate established from time to time by Citibank N.A. (or any successor thereto).

Section 17.03. Service Level Disputes. Any dispute arising from or relating to Article III after its failure to be adequately be resolved pursuant to Section 17.01 may be submitted by either party to the final and binding determination of a mutually agreed upon Industry Expert. The Industry Expert is not empowered to award treble, punitive or any other damages in excess

of compensatory damages, and each party irrevocably waives any claim to recover any such damages. The Industry Expert shall make a reasoned award within forty-five (45) days of receiving such dispute and such award rendered by the Industry Expert shall be final and binding between the parties, their successors and assigns, and each shall comply with the decision in good faith. The Industry Expert shall be entitled to award monetary damages based on standards of materiality, proportionality, notification and escalation procedures. If the current Industry Expert is available and continues to be independent of the parties, he/she shall be utilized for the resolution of these disputes. If he/she is not available or independent, then each party shall nominate two (2) qualified neutral industry expert candidates of which each party may reject one (1) candidate. If any nominated candidate becomes unavailable or is reasonably determined by the other party not to be neutral, then the nominating party shall promptly designate a replacement. If the parties are unable to agree on a selection within fifteen (15) Business Days, the final candidate will be selected at random from the remaining two (2) candidates.

Section 17.04. Other Unresolved Disputes. All disputes not governed by Sections 17.02 and 17.03 and not otherwise resolved pursuant to Section 17.01 of or relating to this Agreement may be resolved by litigation.

Section 17.05. Jurisdiction Venue and Service of Process. Any litigation brought arising from or concerning in any manner the subject matter of this Agreement shall be brought in the state and federal courts of the County of New York, State of New York. Each of the parties hereby submits itself to the exclusive jurisdiction and venue of such courts for purposes of any such litigation. Reuters hereby appoints the General Counsel, Reuters America Inc. at its principal place of business in New York, New York, and Moneyline hereby appoints the General Counsel (or officer of equivalent rank), Moneyline Telerate at its principal place of business in New York, New York, in each case, respectively, as such party's authorized agent to accept and acknowledge on such party's behalf service of any and all process that may be served in any such litigation. Any and all service of process and any other notice in any such litigation shall be effective against the other party hereto if given personally, or by registered or certified mail, return receipt requested, or by any other means of mail that requires a signed receipt, postage prepaid, mailed to such party as herein provided, or by personal service on such party's authorized agent with a copy of such process mailed to such party by first class mail or registered or certified mail, postage prepaid and return receipt requested, at its address as set forth herein or at such other address as it may furnish to the other party. Nothing contained herein shall be deemed to affect the right of any party hereto to serve process in any manner permitted by law.

Section 17.06. All Disputes Subject to Article XII. Any and all disputes arising from this Agreement whether or not resolved pursuant to this Article XVII shall be subject to the provisions of Article XII, including the liability cap set forth in Section 12.11.

ARTICLE XVIII

FORCE MAJEURE

Section 18.01. Events of Force Majeure. In no event shall either party be liable to the other for any failure to perform its obligations hereunder that is due to war, riots, acts of terrorism, embargoes, strikes, other concerted acts of workers, casualties, accidents or other acts of God to the extent that such failure and the consequences thereof are reasonably beyond the control and without the fault or negligence of the party claiming excuse. Each party shall use reasonable efforts to mitigate the extent of any failure to perform and the adverse consequences thereof.

Section 18.02. Termination. In the event that a force majeure condition shall continue for more than sixty (60) days, the non-claiming party may terminate this Agreement with respect to the affected portion of the Services with no further liability to the other party other than for obligations incurred with respect to such affected portion prior to the occurrence of the force majeure condition.

Section 18.03. Consequences. The consequences arising from the existence and continuation of a force majeure condition, including any interruption of the applicable Services, shall be deemed not to constitute a breach by either party hereto of any representations, warranties or covenants hereunder; that the Service Provider utilizes its commercially reasonable efforts to perform its obligations hereunder during the pendency of the force majeure event. During any period that the Service Provider is unable to provide Services due to a force majeure event, the Service Recipient shall be absolved from its payment obligations for the effected Service(s) during the force majeure period and until Service is restored in all material respects. If a Service Recipient replaces a Service provided by the Service Provider during a force majeure event, it shall not be considered evidence of the technical capability of the Service Recipient to provide or receive such Services pursuant to Section 11.01(b) or 11.02(b), as applicable. During the period in which the Service Recipient replaces a Service provided by the Service Provider as a result of a force majeure event, (i) the Service Levels set forth in Article III shall not apply and the Service Provider shall have no responsibility for such Service Levels and (ii) the Service Provider shall not charge the Service Recipient for the Services for such period of time as the Service Recipient is bound by the terms of an agreement with the third party providing such replacement services; provided, however, that the Service Recipient shall use commercially reasonable efforts to insure that the third party replacement agreement is for as short a period of time as practicable, taking into account such factors as cost and time for implementation and migration back to Service Provider.

ARTICLE XIX

REMEDIES AND WAIVERS

Section 19.01. Delay or Omission. No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement shall:

- (a) affect that right, power or remedy; or
- (b) operate as a waiver of it.

Section 19.02. Single or Partial Exercise. The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

Section 19.03. Cumulative Rights. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

ARTICLE XX

COSTS AND EXPENSES

Section 20.01. Costs and Expenses. Except as otherwise stated in this Agreement, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement.

ARTICLE XXI

ASSIGNMENT

Section 21.01. Assignment. Neither party may assign this Agreement or any of its rights, interests, or obligations hereunder or thereunder, either directly or by operation of law, without the prior written approval of the other party, which consent shall not be unreasonably withheld or delayed (it being understood that a change in the ownership of the stock of Moneyline, in and of itself, will not constitute an assignment either directly or by operation of law).

Section 21.02. Succession. Subject to Sections 21.01 and 21.02, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and except as otherwise expressly provided herein, no other person shall have any right, benefit or obligation hereunder.

ARTICLE XXII

ANNOUNCEMENTS

Section 22.01. Press Release and Public Announcements. The parties hereto shall consult with each other and shall mutually agree (the agreement of each party not to be unreasonably withheld or delayed) upon the content and timing of any press release or other public statements with respect to the transactions contemplated by this Agreement and shall not issue any such press release or other public statement prior to such consultation and agreement, except as may be required by applicable law or by obligations pursuant to any listing agreement with any securities exchange or any stock exchange regulations as advised by legal counsel to such party; provided, however, that to the extent practicable, each party shall give prior notice to the other party of the content and timing of any such press release or other public statement prior to issuance.

Section 22.02. Duration of Restrictions. The restrictions contained in this Article XXII shall continue to apply to each party without limit in time.

ARTICLE XXIII

DATA PROTECTION AND PRIVACY

Section 23.01. Sensitive Business Information. Each party shall cooperate in good faith and use commercially reasonable endeavors to ensure that, as soon as reasonably possible, they are not able to access the sensitive business information of the other, including customer information. Such steps will include establishing separate customer relationship management databases. To the extent the parties are not able to separate their sensitive business information for some period of time, they will cooperate in good faith to establish processes designed to limit as much as reasonably possible access to those employees with a need to know in order to perform the applicable Services.

Section 23.02. EU Privacy Directive.

(a) Each party agrees that it will comply with the principles of the European Union Protection Directive and the Telecoms Data Protection Directive 97 as amended (the “**Directives**”) and any successor legislation, in relation to any “personal data” (as defined in the Directives) received by or originating from the other party or the other party’s clients. Each party will comply with such requirements whether or not they apply in the local territory where the data is being processed or where each respective party is based or incorporated.

(b) Each party warrants and represents that (a) it has in place now and will on a continuing basis take all reasonable technical and organizational measures to keep such personal data secure and to protect it against accidental loss or unlawful destruction, alteration, disclosure or access; and (b) it will act only in accordance with the other party’s instructions, provided they are reasonable and in accordance with the law.

(c) Moneyline agrees to indemnify and hold Reuters, the Reuters Group and its respective directors, officers, employees, agents, successors and assigns (in such capacity, each an “**Indemnified Party**”) from and against any and all Losses incurred by the Reuters Group in relation to a breach of this Section 23.02, provided always that Reuters or the relevant member of the Reuters Group acts reasonably. In turn, Reuters agrees to indemnify Moneyline, the Moneyline Group and its respective directors, officers, employees, agents, successors and assigns (in such capacity, each an “**Indemnified Party**”) from and against any and all Losses incurred by the Moneyline Group in relation to a breach of this Section 23.02, provided that Moneyline or the relevant member of the Moneyline Group acts reasonably.

(d) Moneyline and Reuters agree to ensure that any subcontractors it or their respective Group uses who process personal data of the other party’s Group also enter into an agreement with the equivalent of this Section 23.02.

Section 23.03. Privacy Policy.

(i) For any data provided to Moneyline by Reuters on behalf of Reuters customers, Moneyline agrees to protect and use such data only in accordance with the privacy policy as may be adopted by Reuters, amended from time to time by Reuters in Reuters sole discretion, and provided to Moneyline (the “**Privacy Policy**”). At no time shall Moneyline archive or keep any records or back up of such data unless such data is maintained in accordance with the Reuters Privacy Policy.

(ii) For any data provided to Reuters by Moneyline on behalf of Moneyline Clients, Reuters agrees to protect and use such data in accordance with its own Privacy Policy and agrees to use the customer data of Moneyline only as provided in this Agreement. At no time shall Reuters archive or keep any records or back up of such data unless such data is maintained in accordance with the Privacy Policy.

ARTICLE XXIV

GENERAL PROVISIONS

Section 24.01. **Notices.** All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given on the second (2nd) Business Day after it is sent by overnight courier and addressed to the intended recipient as set forth below:

If to Reuters: Reuters Limited
85 Fleet Street
London, EC4P 4AJ
Attention: Head of Vendor Relations and
Communications
With copy to General Counsel
44-207-542-5896 (fax)

With a copy to:

Reuters America Inc.
The Reuters Building
3 Times Square – 20th Floor
New York, NY
Attention: General Counsel
(646) 223 -4241 (fax)

If to Moneyline: Moneyline Telerate Holdings
233 Broadway
24th Floor
New York, NY 10279
Tel: +1 212 553-2500
Fax: +1 212 553-2599
Attention: Chief Financial Officer

With a copy to:

Moneyline Telerate Holdings
233 Broadway
24th Floor
New York, NY 10279
Tel: +1 212 553-2500
Fax: +1 212 553-9698
Attention: Legal Department

Any party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

Section 24.02. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 24.03. Entire Agreement. This Agreement (including the Schedules referred to herein) constitutes the complete and exclusive understanding between the parties and supersedes any prior understandings (including the Term Sheet), agreements, or representations by or between the parties, written or oral, regarding the subject matter herein.

Section 24.04. Further Assurances. Each party shall, upon the reasonable request of another party, execute and deliver such additional documents and instruments, and shall perform such additional acts including any governing or regulatory filings, as may be necessary or appropriate to carry out or clarify the terms of this Agreement.

Section 24.05. Relationship of the Parties. Nothing in this Agreement and no action taken by the parties under this Agreement shall be construed to create a joint venture, partnership or agency relationship between any of the parties. Nothing in this Agreement shall allow either party to bind the other. All Reuters employees, consultants, advisors or subcontractors (regardless of whether or not such persons are employed by any member of the Reuters Group) providing Reuters Transitional Services pursuant to this Agreement on behalf of Reuters or any member of the Reuters Group shall remain Reuters personnel and shall not constitute Moneyline personnel.

Section 24.06. Non-Solicitation. Moneyline hereby acknowledges that, due to the nature of the Reuters Transitional Services, Moneyline will be provided with access to employees of Reuters, including the Reuters Transitional Employees. Reuters hereby acknowledges that, due to the nature of the Moneyline Transitional Services, Reuters will be provided access to employees of Moneyline. Each party expressly agrees and acknowledges that it is prohibited from, and it shall not (and shall cause any member of its Group not to) solicit, encourage or induce the other party's employees (including the Reuters Transitional Employees) to terminate their employment with the other party until one (1) year after termination of all Reuters Transitional Services. With respect to the Reuters Transitional Employees, this restriction on solicitation shall not apply to Moneyline in connection with the transitioning arrangements set forth in Section 5.05 but, to the extent such Reuters Transitional Employees are hired by Moneyline pursuant to Section 5.05, this non-solicitation restriction shall apply to Reuters for a period of one (1) year following the transfer of such Reuters Transitional Employees to Moneyline in accordance with Section 5.05.

Section 24.07. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

Section 24.08. Third Party Rights. This Agreement shall not confer any rights and remedies upon any person or entity other than the parties and their respective successors and permitted assigns.

Section 24.09. Waiver of Jury Trial. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or provision hereof.

Section 24.10. Amendments. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Reuters and Moneyline.

Section 24.11. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New York, as such laws are applied to agreements made, entered into, performed entirely within New York by New York residents without regard to the actual residence or domicile of the parties and without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

Section 24.12. Term Sheet. Upon Reuters and Moneyline entering into this Agreement, the Term Sheet shall no longer be of any force or effect.

Section 24.13. Joint and Several Obligations. Each member of the Moneyline Group party to this Agreement, together with Moneyline, agrees to be jointly and severally liable as primary obligor and not as guarantor for any and all payment obligations incurred by Moneyline in connection with this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Transitional Service Agreement to be executed as of the date first above written.

MONEYLINE TELERATE HOLDINGS

By:/s/ DAVID WALSH

Name: David Walsh
Title: Chairman & CEO

MONEYLINE TELERATE

By:/s/ DAVID WALSH

Name: David Walsh
Title: CEO

MONEYLINE TELERATE INTERNATIONAL

By:/s/ DAVID WALSH

Name: David Walsh
Title: CEO

REUTERS LIMITED

By:/s/ GRAHAM J. ALBUTT

Name: G. J. Albutt
Title: President, Business Programs

EXHIBIT A

TERMS AND CONDITIONS FOR PERMITTED DISTRIBUTOR AGREEMENTS

Each time Moneyline or any member of the Moneyline Group enters into an agreement with a Permitted Distributor pursuant to the Agreement (the “**Permitted Distributor Agreement**”), Moneyline or the applicable member of the Moneyline Group must ensure that such Permitted Distributor agrees in writing to terms and conditions at least as protective as the following:

1. The Permitted Distributor shall have a non-exclusive and non-assignable license to distribute and sublicense the Software in Object Code form, and the related Documentation, within the Territory, for internal use only and not for development purposes, to subscribers who have entered into written end user agreements which contain the intellectual property protections and other terms and conditions set forth on Exhibit B (the “**End Users**”).
2. The Permitted Distributor shall not, and shall not allow any person or entity, including an End User, to copy, adapt, reverse engineer, decompile, disassemble, modify or otherwise alter, in whole or in part, the Software.
3. The Permitted Distributor shall not, and shall not allow any person or entity, other than an End User, to use the Software for any purpose.
4. The Permitted Distributor shall not, and shall not allow any person or entity, to remove or obliterate from the Software any patent, copyright, trademark or other proprietary notices.
5. The Permitted Distributor expressly acknowledges that all right, title, and interest in and to any and all Intellectual Property Rights relating to or arising from the Software shall at all times remain the sole and exclusive property of Reuters or its licensors.
6. The Permitted Distributor shall exercise commercially reasonable efforts to monitor and enforce each End User’s compliance with all terms and conditions set forth in such End User’s end user agreement, and shall promptly notify Moneyline in writing upon becoming aware of any material breach or suspected material breach by any End User of its end user agreement.
7. On a monthly basis, the Permitted Distributor shall supply Moneyline with an accurate accounting of the number of users of the Software as reported by End Users, and shall provide Moneyline with copies of honesty statements from End Users.
8. The Permitted Distributor expressly acknowledges that Reuters is a third party beneficiary of these terms and is entitled to enforce them against the Permitted Distributor, and that any material breach of these terms will entitle Reuters to terminate the Permitted Distributor Agreement following thirty (30) days notice to both Permitted Distributor and Moneyline, unless such breach is cured within such notice period.

EXHIBIT B

TERMS AND CONDITIONS FOR CLIENT AGREEMENTS

Every time Moneyline, any member of the Moneyline Group, or any Permitted Distributor licenses any of the Software, Moneyline, the applicable member of the Moneyline Group or the Permitted Distributor must ensure that the applicable Moneyline Client (the “**End User**”) agrees in writing to terms and conditions at least as protective as the following (the “**End User Agreement**”):

1. The End User shall have a non-exclusive, non-assignable, and non-sublicensable license to use the Software in Object Code form, and the related Documentation, for internal purposes only.
2. The End User shall not, and shall not allow any person or entity to, copy, adapt, reverse engineer, decompile, disassemble, modify or otherwise alter, in whole or in part, the Software.
3. The End User shall not, and shall not allow any persons or entity to, use the Software for any development purposes.
4. The End User shall not, and shall not allow any person or entity, to remove or obliterate from the Software any patent, copyright, trademark or other proprietary notices.
5. The End User expressly acknowledges that as between the parties hereto all right, title, and interest in and to any and all Intellectual Property Rights relating to or arising from the Software, shall at all times remain the sole and exclusive property of Moneyline or its licensors.
6. The End User expressly acknowledges that Moneyline and its licensors provide no warranties, conditions, guarantees or representations as to merchantability or fitness for a particular purpose or otherwise in relation to the Software.
7. The End User expressly acknowledges that Reuters is not liable to the End User for any loss or damage including any consequential or incidental losses or damages arising from the End User’s use or inability to use the Software.
8. The End User expressly acknowledges that Reuters is a third party beneficiary of these terms and is entitled to enforce them against the End User, and that any material breach of these terms will entitle Reuters to terminate the End User Agreement following thirty (30) days notice to both Permitted Distributor and Moneyline, unless such breach is cured within such notice period.

EXHIBIT C
TERRITORIES

Country – Europe

1. Abu Dhabi
2. Austria
3. Bahrain
4. Belarus
5. Belgium
6. Bulgaria
7. Croatia
8. Cyprus
9. Czech Republic
10. Denmark
11. England
12. Estonia
13. Finland
14. France
15. Germany
16. Greece
17. Hungary
18. Ireland
19. Isle of Man
20. Israel
21. Italy
22. Kuwait
23. Latvia
24. Lebanon
25. Lithuania
26. Luxembourg
27. Macedonia
28. Monaco
29. Netherlands
30. Norway
31. Oman
32. Poland
33. Portugal
34. Qatar
35. Romania
36. Russia
37. Saudi Arabia
38. Scotland
39. Slovakia
40. Slovenia
41. Spain
42. Sweden
43. Switzerland
44. Turkey
45. Ukraine
46. United Arab Emirates

Countries - Asia

1. Singapore
2. Brunei
3. Malaysia
4. Indonesia
5. Thailand
6. Philippines
7. Vietnam
8. India
9. Bangladesh
10. China
11. Hong Kong (China)
12. Macau (China)
13. Taiwan
14. South Korea
15. Australia
16. New Zealand
17. Japan
18. Outer and Inner Mongolia

EXHIBIT F

TELERATE BUSINESS PROPRIETARY SOFTWARE

TelerateStation for Windows	TelerateChannel	Telerate Feed 4.x ¹
6.2.6	1.4.1	4.00.0
6.2.8	1.5.0	4.00.1
6.2.9	1.6.0	4.01.0
6.3.2	1.6.1	4.01.1
6.3.3	1.6.2	4.01.2
6.3.4	1.6.3	4.02.0
6.3.7	2.0.0	4.02.1
6.3.8*	2.0.1	4.02.2
All other Releases and Enhancements provided by Reuters pursuant to Section 6.04(a) of the Agreement.	2.1.0	4.02.3
	2.1.1	4.02.4
	2.1.2	4.02.5
	2.2.0	4.02.6
	2.2.1	4.02.7
Webdesk	2.3.0	4.10.0
1.4.002	2.3.1	4.10.1
1.5.000*	2.3.2	4.10.2
	2.4.1	4.11.0
NewsDesk	2.4.1.40	4.11.1
1.1i (w/BS 6.2.8)	2.4.2.46	4.11.2
1.22e* (w/BS and TS 6.3.3)	2.4.2.52	4.12.0
	2.4.2.55	4.12.1
BridgeCollector	2.4.2.70	4.12.2
2.0	2.4.2.76	4.12.3
2.1	2.4.3.69	4.13.0
2.1.3*	2.4.3.73	4.13.1
	2.4.3.107	4.13.2
	2.4.3.108*	4.13.3
		4.13.4
		4.14.0
		4.14.1
		4.14.2
		4.14.3
		4.14.4
		4.14.5*

¹Includes the TelerateFeed SDK. Includes English and Japanese versions pursuant to Section 6.04(d)(3) of the Agreement.

* Indicates the current release.

EXHIBIT G

BRIDGE EUROPE & ASIA PROPRIETARY SOFTWARE

BridgeStation for Windows	BridgeFeed Broadcast ¹	BridgeFeed 3.x	BridgeFeed 4.x ²
6.1.1	2.01	3.23 (patch 7)	4.00.0
6.1.2	2.02	3.23 (patch 8)	4.00.1
6.2.5	2.03	3.24 (patch 7)	4.01.0
6.2.6	2.04	3.24 (patch 9)	4.01.1
6.2.8	2.10	3.24 (patch 14)	4.01.2
6.2.9	2.11	3.24 (patch 15)	4.02.0
6.3.2	2.13.1		4.02.1
6.3.3	2.13.2	BridgeCollector	4.02.2
6.3.4	2.13.3*	2.0	4.02.3
6.3.6		2.1	4.02.4
	Webdesk	2.1.3*	4.02.5
	1.4.002		4.02.6
	1.5.000*		4.02.7
	NewsDesk		4.10.0
			4.10.1
	1.1i (w/BS 6.2.8)		4.10.2
6.3.7	1.22e * (w/BS and		4.11.0
6.3.8*	TS 6.3.3)		4.11.1
All other Releases and			4.11.2
Enhancements			4.12.0
provided by Reuters			4.12.1
pursuant to Section			4.12.2
6.04(a) of the			4.12.3
Agreement.			4.13.0
			4.13.1
			4.13.2
			4.13.3
			4.13.4

¹ Moneyline is not licensed to use BridgeFeed Broadcast to support security administration products, except that the parties agree that Nomura Research Institute may continue to license from Moneyline all prior versions of BridgeFeed Broadcast; provided, however, that Moneyline continues to be the contracting entity with the clients using the service provided by Nomura Research Institute.

² Includes the BridgeFeed SDK. Includes English and Japanese versions pursuant to Section 6.04(d)(3) of the Agreement

* Indicates the current release.

4.14.0
4.14.1
4.14.2
4.14.3
4.14.4
4.14.5 *

EXHIBIT H

ADD-ON SOFTWARE¹

Bridge Order Indications and Advertised Trade Service Software

Included within versions of BridgeStation for Windows and TelerateStation for Windows set forth on Exhibits F and G and within versions of BridgeActive1.

Athena

Included within versions of BridgeStation for Windows, TelerateStation for Windows set forth on Exhibits F and G and within versions of BridgeActive1 set forth on this Exhibit.

BridgeActive1

7.1.1d *

7.1.2

EJV

Included within versions of BridgeStation for Windows, TelerateStation for Windows set forth on Exhibits F and G and within versions of BridgeActive1 set forth on this Exhibit.

IOE

2.2

2.6

2.7

2.8 *

¹ Includes English and Japanese versions pursuant to Section 6.04(d)(3) of the Agreement.

* Indicates the current release.

EXHIBIT I
LEGACY LICENSES

<u>BridgeStation for Windows</u>	<u>TelerateChannel</u>	<u>BridgeFeed 3.x</u>	<u>BridgeFeed/ Telerate Feed 4.x</u>
6.1.1	1.4.1	3.23 (patch 7)	4.00.0
6.1.2	1.5.0	3.23 (patch 8)	4.00.1
6.2.5	1.6.0	3.24 (patch 7)	4.01.0
6.2.6	1.6.1	3.24 (patch 9)	4.01.1
6.2.8	1.6.2	3.24 (patch 14)	4.01.2
6.2.9	1.6.3	3.24 (patch 15)	4.02.0
6.3.2	2.0.0		4.02.1
6.3.3	2.0.1	IOE	4.02.2
6.3.4	2.1.0	2.2	4.02.3
6.3.6	2.1.1	2.6	4.02.4
6.3.7	2.1.2	2.7	4.02.5
6.3.8*	2.2.0	2.8*	4.02.6
All other Releases and Enhancements provided by Reuters pursuant to Section 6.04(a) of the Agreement.	2.2.1		4.02.7
	2.3.0		4.10.0
	2.3.1		4.10.1
	2.3.2		4.10.2
	2.4.1		4.11.0
	2.4.1.40		4.11.1
	2.4.2.46		4.11.2
	2.4.2.52		4.12.0
	2.4.2.55		4.12.1
	2.4.2.70		4.12.2
	2.4.2.76		4.12.3
	2.4.3.69		4.13.0
TelerateStation for Windows	2.4.3.73		4.13.1
6.2.6	2.4.3.107		4.13.2
	2.4.3.108*		4.13.3
			4.13.4
6.2.8			4.14.0
			4.14.1
6.2.9			4.14.2
6.3.2			4.14.3
6.3.3			4.14.4*
6.3.4			All other Releases and Enhancements provided by Reuters pursuant to Section 6.04(a) of the Agreement.
6.3.7*			

* Indicates the current release.

Bridge Order Indications and Advertised Trade Service Software

Included within versions of BridgeStation for Windows and TelerateStation for Windows set forth on this Schedule.

Athena

Included within versions of BridgeStation for Windows and TelerateStation for Windows set forth on this Schedule.

EJV

Included within versions of BridgeStation for Windows and TelerateStation for Windows set forth on this Schedule.

SCHEDULE 2.01(a)(i)(1)

**REUTERS TRANSITIONAL SERVICE
CLIENT ADMINISTRATION**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule are conditioned on the following assumptions:
 - (A) Moneyline or a member of the Moneyline Group or its or their employees shall be responsible for the resolution of Moneyline Client's requests and any additions, modifications and deletions of client profiles including client charges and any other descriptive information related to client records.
 - (B) Reuters or a member of the Reuters Group shall provide the Services set forth in this Schedule directly to Moneyline or a member of the Moneyline Group and shall not communicate in any respect with Moneyline Clients in relation to the Services set forth in this Schedule, except to refer such clients to Moneyline or a member of the Moneyline Group, as necessary.
 3. **Entitlement Management System Services.** Reuters or the applicable member of the Reuters Group shall provide the following services to Moneyline solely in relation to the Software and associated product packages/services as set forth in the Reuters Market Data Services and Data Management Schedule which were licensed by Moneyline pursuant to the Agreement ("**EMS Services**"):
 - (A) Reuters shall make arrangements for the EMS System and client site entitlements to be updated upon completion of a work order by Moneyline for any of their clients in relation to the Bridgefeed Broadcast product or any substantially similar successor product (to the extent Moneyline is licensed to utilize and redistribute such successor product hereunder).
 4. **Contacts.**
 - (A) All communications to Reuters regarding the Services set out in this Schedule shall be directed solely to Vice President, Order Administration or, if he/she is unavailable or does not respond within two (2) Business Days to Vice President, Customer Administration, or to the Relationship Manager or such other person or persons that the Relationship Manager may designate in writing from time to time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.
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(B) All communications from Moneyline regarding the Services set out in this Schedule shall be initiated solely from Adam Napoli, Director of Client Services, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

SCHEDULE 2.01(a)(i)(2)

**REUTERS TRANSITIONAL SERVICE
MARKET DATA SERVICES AND DATA MANAGEMENT**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule is conditioned on the following assumptions:
 - (A) Except as specifically provided otherwise in this Schedule, as between Reuters or the applicable member of the Reuters Group on the one hand and Moneyline, on the other, Reuters or the applicable member of the Reuters Group shall be solely responsible for all aspects of the content development, production data maintenance, operation, packaging and distribution of the Reuters Exclusive Content and Shared Content to clients of Reuters or the applicable member of the Reuters Group.
 - (B) Reuters or the applicable member of the Reuters Group shall support the data sets set forth on Exhibit A (which for purposes of Exhibit B shall be referred to as “**Exhibit A Content**”), as such data sets were in existence as of the Moneyline Closing Date; provided, however, that Moneyline shall obtain and maintain all necessary Content Licenses for such data sets. For the avoidance of doubt, the requirements set forth in the preceding sentence and throughout this Schedule with respect to Schedule A data sets are not applicable to the following (which for purposes of Exhibit B shall be referred to as “**Non-Exhibit A Content**”):
 - (i) data sets not explicitly set forth on Exhibit A that were in existence as of the Moneyline Closing Date;
 - (ii) data sets added pursuant to the methodology set forth on Exhibit B; and
 - (iii) data sets set forth on Exhibit A which have been modified or removed, in whole or in part, pursuant to the methodology set forth on Exhibit B; provided, however, that unchanged portions of such data sets shall continue to be treated as Exhibit A Content.
 - (C) All of the services set forth herein shall be subject to Articles VI and X of the Agreement, and shall only be undertaken by Reuters to the extent they do not require material changes to Reuters systems or to the Reuters Network.
 - (D) Moneyline shall be responsible for all services of the nature described herein to the extent that Moneyline has already undertaken those functions.

- (E) If Reuters determines that due to extraordinary volume generated by Moneyline or due to Mandatory Changes it cannot meet any of the time period requirements set forth herein, Reuters shall notify Moneyline in writing of the date by which the required actions shall be forthcoming.
- (F) Neither Reuters nor any member of the Reuters Group or its or their employees shall modify Moneyline Exclusive Content (including Telerate pages) without the prior written consent of Moneyline; provided, however, that the limitations set forth in the preceding clause shall not be applicable where such modifications are undertaken by Reuters or an applicable member of the Reuters Group as part of day-to-day data maintenance, data integrity activities, or as required by law or an applicable Content Provider.
- (G) Subject to prioritization section of the Reuters Cost and Resource Schedule, Reuters or the applicable member of the Reuters Group shall have sole discretion in prioritizing resources.
- (H) Except as otherwise required to implement Mandatory Changes, neither Reuters nor any member of the Reuters Group or its or their employees shall be required to change, alter or modify any Data Models to accommodate for any Services to be provided to Moneyline.
- (I) Reuters or the applicable member of the Reuters Group shall not modify its technology during the term of the Agreement, where such modification materially and adversely impacts what content is Separately Permissionable.
- (J) All additions, deletions, and modifications to Moneyline Exclusive Content and Shared Content shall be done in accordance with Exhibit B attached hereto.
- (K) Reuters or the applicable member of the Reuters Group may add or modify content that is not Separately Permissionable from existing Shared Content in accordance with the methodology set forth on Exhibit B, it being understood that such additions or modifications will affect Moneyline's ability to receive the existing Shared Content unless Moneyline obtains all necessary Content Licenses ("**Additional Content Licenses**") or unless a duplicate data set for the existing Shared Content is created. Therefore, within thirty (30) days of receiving written notification from Reuters or the applicable member of the Reuters Group, (such notice to include a detailed description of the reasons why the content is not Separately Permissionable), Moneyline must submit to Reuters or the applicable member of the Reuters Group one of the following documents:
 - (i) a written notice certifying that Moneyline has obtained all necessary Additional Content Licenses and that such Additional Content Licenses terminate contemporaneously with Reuters licenses for such content; or

- (ii) a written notice certifying that Moneyline has made a good faith attempt to obtain all necessary Additional Content Licenses and that the relevant Content Providers have been unwilling to enter into the necessary agreements with Moneyline, and one of the following documents:
 - (1) a written notice requesting removal of the relevant existing Shared Content;
 - (2) a written request for the creation of a duplicate data set; or
 - (3) a one-time written request for an additional thirty (30) days to obtain all necessary Additional Content Licenses, and consequently, Reuters shall not add such additional content as non-Separately Permissionable Content until the end of the thirty (30) day period.

 - (L)** Reuters agrees that it shall not add any fields to Shared Content data records, nor modify an existing field in Shared Content data records with a data source that would not be available to Moneyline on an ordinary commercial basis.

 - (M)** Reuters shall process all data outages and latency issues in accordance with the escalation procedures set forth on Exhibit B of the Reuters Help Desk/CRMC Schedule. For purposes hereof, "latency issues" shall mean any event in which the time required for content to travel from the DFC through and out of the Ticker Plant exceeds five-hundred (500) milliseconds.

 - (N)** As of the Effective Date of the Agreement, to the best of Reuters' knowledge without extensive inquiry, the content fields that are not Separately Permissionable include earnings estimates, security identifiers, some core fundamental fields, fields derived from core fundamental fields, fields derived from extended fundamental fields, short interest, ECN data, and local industry classifications.

 - (O)** Reuters or the applicable member of the Reuters Group shall have no obligation to create new product packages/services or modify existing product packages/services at Moneyline's request, where the creation of such new product packages/services or the modification of existing product packages/services shall require any modifications by Reuters or any member of the Reuters Group to the Software.

 - (P)** Neither Reuters nor any members of the Reuters Group or its or their respective employees shall be required to provide to Moneyline or any member of the Moneyline Group any market data or data services not specifically provided in this Schedule, including:
 - (i) provide information directly to Content Providers regarding the use of content by Moneyline, any member of the Moneyline Group or its or their clients;
 - (ii) compile a product/access pricing guide for Moneyline or any member of the Moneyline Group;
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(iii) verify contracts of Moneyline or any member of the Moneyline Group with clients or Content Providers; or

(iv) except as set forth in Section 6 of the Reuters Software Support and Software Development Schedule, provide information to Moneyline Clients or any member of the Moneyline Group about what content is available within a package/service distributed by Moneyline or the applicable member of the Moneyline Group; provided, however, that Moneyline may send questions via email to mlt.mdsquestions@reuters.com regarding both the permissioning and the function of access bits.

3. Mandatory Changes.

- (A) Reuters or the applicable member of the Reuters Group shall be responsible for tracking and implementing Mandatory Changes, to the extent that Reuters or the applicable member of the Reuters Group has been duly notified of such Mandatory Changes by the relevant Content Provider directly or indirectly through Moneyline, and is given a commercially reasonable time to implement such Mandatory Changes.
- (B) Within the first five (5) Business Days of each calendar month, Reuters shall provide Moneyline with a written list of all Mandatory Changes to existing Shared Content implemented by Reuters during the previous month and all Mandatory Changes to Shared Content of which Reuters has received written notice or plans to implement in the future. In the event that Moneyline is aware of any errors or omissions in the list provided by Reuters, Moneyline shall notify Reuters of such errors or omissions within five (5) days of receipt of such list.
- (C) If the time period set forth by the relevant Content Provider to implement a Mandatory Change is less than one (1) month, Reuters shall notify Moneyline of such change in writing.
- (D) Reuters shall implement all Mandatory Changes for Shared Content within the time period set forth by the relevant Content Provider, provided that such Content Provider gives sufficient notice for Reuters or the applicable member of the Reuters Group to complete implementation within the stated time period.

4. Market Data Services. Subject to Section 7(A) herein, Reuters or the applicable member of the Reuters Group will provide the following services to Moneyline solely in relation to the Moneyline Exclusive Content and Shared Content ("**Market Data Services**"):

- (A) create new product packages/services submitted by Moneyline;
- (B) process pricing changes submitted by Moneyline for related product packages/services;
- (C) modify product packages/services submitted by Moneyline;

(D) add bulk user accesses to, or delete bulk user accesses from, the Moneyline product packages/services;

(E) with respect to any access bit, responding promptly to questions from Moneyline or members of the Moneyline Group relating to the functions of such access bits; and

(F) solely with regard to the shared access bits, add, modify or remove restricted access for Moneyline Clients as requested by Moneyline to Reuters or the applicable member of the Reuters Group in writing from time to time; provided that any such request must include any applicable order codes for the relevant Shared Content, and Reuters shall provide Moneyline with such order code promptly upon Moneyline's request therefore if such order code has not been previously provided by Reuters.

5. **Content Development Services.** Subject to Section 7(B) herein, the Reuters Software Support and Software Development Schedule, and to the applicable resource allocations set forth in Reuters Cost and Resource Schedule, Reuters or the applicable member of the Reuters Group shall provide the following services to Moneyline to the extent Moneyline is utilizing the Ticker Plant ("**Content Development Services**"):

(A) based on Moneyline's prioritized monthly requests and in accordance with the methodology set forth on Exhibit B, process additions, modifications and removals from the Reuters Network of the relevant database instruments, pages or news sources which hold the Moneyline Exclusive Content and Shared Content and process, in accordance with Reuters and the applicable members of the Reuters Group's established procedures, requests for Telerate page format, page-to-page mapping, page-item mapping, item-page mapping, item-item mapping, page authorization change, page access change, page linking, page indexing, Bridge Collector configuration, DFC mapping tables, portfolio creation, modification and removal, and Telerate itemized feed mapping;

(B) upon Moneyline's reasonable request, interact and cooperate as reasonably necessary with specified Content Providers, from time to time in coordination with Moneyline; and

(C) One or more representatives of Reuters content development group shall be available weekly at such time as is mutually agreed by the parties to discuss issues related solely to the Content Development Services set forth herein.

6. **Production Data Maintenance Services.**

(A) Subject to Section 6(B) below, Reuters or the applicable member of the Reuters Group shall provide Moneyline with the following services with respect to Shared Content and Moneyline Exclusive Content only ("**Production Data Maintenance Services**"):

(i) with respect to Exchange content, maintain:

- (1) additions, modifications, and deletions of database instruments as notified by Exchanges;
 - (2) company names, descriptions, and other static data fields of database instruments as notified by the Exchanges;
 - (3) security identifiers (e.g., ISIN, SEDOL, CUSIP/NSIN, Exchange Code as applicable) of database instruments;
 - (4) core fundamental data (e.g., dividends per share, earnings per share, revenue) and shares outstanding; and
 - (5) corporate actions.
- (ii) with respect to Exchange and non-exchange content, maintain:
- (1) portfolios;
 - (2) scheduled manual data entry and end of day price file loading;
 - (3) Asia region Telerate official fixings as follows:
 - a. Association of Banks in Singapore fixings calculations and publication;
 - b. Daily checks on Hong Kong Association of Banks HIBOR fixings;
 - c. Hong Kong Brokers' Association HIBOR Interbank Overnight Average fixings calculation and publication; and
 - d. Taiwan Primary, Secondary Bills, Forward Swaps, Benchmark Government Bond fixings calculation and publication.
 - (4) intra-day price confirmation and corrections on real-time databases as escalated via a Trouble Ticket pursuant to Exhibit A of Reuters Help Desk/CRMC Schedule or alerted via system generated error messages and other escalations;
 - (5) intra-day price filter adjustments as escalated via a Trouble Ticket pursuant to Exhibit A of Reuters Help Desk/CRMC Schedule or alerted via system generated error messages and other escalations;
 - (6) intra-day price and other data format changes as escalated via a Trouble Ticket pursuant to Exhibit A of Reuters Help Desk/CRMC Schedule or alerted via system generated error messages and other escalations;
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- (7) modifications and/or corrections to database instrument settings as escalated via a Trouble Ticket pursuant to Exhibit A of Reuters Help Desk/CRMC Schedule or alerted via weekly database scan reports;
- (8) historical data scans, historical data corrections as required, and upon Moneyline's reasonable request, provide sufficient historical data that is reasonably required by Moneyline to respond to a query from a Moneyline Client; and
- (9) instrument descriptions as typically maintained at the time of the Moneyline Closing Date.

(iii) with respect to other functions:

- (1) page rolling and list management for existing I2P pages; and
- (2) configuration files including session tables, and time-zone table.

(B) Notwithstanding anything to the contrary set forth in this Agreement, Reuters shall provide the Production Data Maintenance Services listed in Section 6(A) to Moneyline:

- (i) based on support levels existing prior to Moneyline Closing Date;
- (ii) during the hours of services and with the response times that Reuters or the applicable member of the Reuters Group generally provides to its or their clients and employees; and
- (iii) for the database instruments, pages, and news sources for Exhibit A content and Non-Exhibit A content.

7. Description of Services and Associated Service Levels. The parties shall adhere to the following processes in requesting and performing the services described in Section 4 and Section 5 of this Schedule, respectively.

(A) Market Data Services.

- (i) New Packages/Services. Moneyline shall submit to Reuters or the applicable member of the Reuters Group, either a completed New Packaging Request Form, substantially in the form attached hereto as Exhibit G, or a completed Change Packaging Request Form, substantially in the form attached hereto as Exhibit H or a completed General Installation Form substantially in the form attached hereto as Exhibit K, as applicable. Within five (5) Business Days, Reuters or the applicable member of the Reuters Group shall confirm receipt and shall approve Moneyline's request or alternatively, shall in the initial response back to Moneyline detail specifically all clarifications which are required for

approval. Should resubmission of a specific request be required by Reuters or the applicable member of the Reuters Group, Reuters or the applicable member of the Reuters Group shall again respond to Moneyline within five (5) Business Days according to the process above. Reuters or the applicable member of the Reuters Group shall release such new packages/services to the production environment on the date requested by Moneyline, which shall be at least twenty (20) Business Days after the date Reuters or the applicable member of the Reuters Group received such request.

- (ii) Price Change/Creation. Moneyline shall submit to Reuters or the applicable member of the Reuters Group either a completed Pricing Form for Access Bits, substantially in the form attached hereto as Exhibit I, or a completed Pricing Form for Packages, substantially in the form attached hereto as Exhibit J. Reuters or the applicable member of the Reuters Group shall confirm receipt of such request within five (5) Business Days and shall implement all new and changed prices on a coordinated basis with the associated billing cycle in the applicable location, which implementation shall occur no more frequently than once per month. New and changed prices shall be reflected on the billing cycle following implementation of such request.
- (iii) Modify Existing Packages/Services. Moneyline shall submit to Reuters or the applicable member of the Reuters Group a completed Change Packaging Request Form, substantially in the form attached hereto as Exhibit H or a completed General Installation Form substantially in the form attached hereto as Exhibit K, as applicable. Within five (5) Business Days, Reuters or the applicable member of the Reuters Group shall confirm receipt and shall approve Moneyline's request or alternatively, shall in the initial response back to Moneyline detail specifically all clarifications which are required for approval. Should resubmission of a specific request be required by Reuters or the applicable member of the Reuters Group, Reuters or the applicable member of the Reuters Group shall again respond to Moneyline within five (5) Business Days according to the process above. Reuters or the applicable member of the Reuters Group shall use commercially reasonable efforts to release modified packages/services to the production environment on the date requested by Moneyline, which shall be at least twenty (20) Business Days after the date Reuters or the applicable member of the Reuters Group received such request.
- (iv) Bulk Add/Delete of Accesses/Demos. Moneyline shall submit to Reuters or the applicable member of the Reuters Group completed Bulk Add/Delete Form, substantially in the form attached hereto as Exhibit L. Reuters or the applicable member of the Reuters Group shall confirm receipt of such request within five (5) Business Days. Reuters or the applicable member of the Reuters Group shall implement bulk add/delete

on the date requested by Moneyline, which shall be at least twenty (20) Business Days after the date Reuters or the applicable member of the Reuters Group confirmed receipt of such request.

- (v) **Restrictions.** Moneyline shall submit to Reuters or the applicable member of the Reuters Group completed Restrictions Change Form, substantially in the form attached hereto as Exhibit M. Reuters or the applicable member of the Reuters Group shall confirm receipt of such request within five (5) Business Days. Reuters or the applicable member of the Reuters Group shall implement such restrictions on the date requested by Moneyline, which shall be at least ten (10) Business Days after the date Reuters or the applicable member of the Reuters Group confirmed receipt of such request.

(B) Content Development Services.

- (i) Moneyline shall submit to Reuters or the applicable member of the Reuters Group written project requests (e.g., GCC, TMR, and Project Service Request (PSR)), substantially in the form of Exhibits C-E.
- (ii) Reuters or the applicable member of the Reuters Group shall respond in writing to Moneyline within five (5) Business Days, or within three (3) Business Days for GCC Page Entitlements – Telerate Legacy PRG Creation, GCC Page Entitlements – Telerate Legacy PRG Deletion, GCC Page Linking and GCC Contributor Name Changes only, to confirm receipt of Moneyline’s specific project request or to detail specifically what clarifications are required for the request confirmation. Should resubmission of the specific written request be required by Reuters or the applicable member of the Reuters Group, Reuters or the applicable member of the Reuters Group shall again respond in writing to Moneyline within five (5) or three (3) Business Days according to the process above.
- (iii) Reuters or the applicable member of the Reuters Group shall provide to Moneyline project release dates for each approved GCC, TMR and PSR within the time periods set forth on Exhibit F.
- (iv) Reuters or the applicable member of the Reuters Group shall provide to Moneyline the project grade and corresponding estimated Person Days for each approved PSR within five (5) Business Days of approval. If Reuters fails to provide such information within the time period, Moneyline shall escalate in the following manner: first to the Relationship Manager; if the Relationship Manager does not provide the response within three (3) Business Days, the PSR shall be escalated to the contact person set forth in Section 9 below. If the contact person listed below does not respond within two (2) Business Days, the matter shall be escalated to Senior Vice President, Software Development.

- (v) By the first Business Day of each month, Moneyline shall submit to Reuters or the applicable member of the Reuters Group a written list prioritizing all PSRs, including GCCs and TMRs, organized by region (e.g., North America, Europe and Asia), which were approved during the previous month that have not yet been prioritized. The parties agree that prioritization may be changed upon mutual agreement at the weekly meetings held by these individuals. Then, by the fifth Business Day of each month, at mutually agreed upon time, one representative from each of the three regional data development groups of Moneyline and Reuters shall be available to discuss and shall agree upon approximate start dates for such projects. If the parties do not agree upon the approximate start dates by the fifth Business day of such month, Moneyline shall escalate the issue according to the process described in § 7(B)(iv) above.

8. Costs.

- (A) Reuters or the applicable member of the Reuters Group and Moneyline shall share the costs of implementing Mandatory Changes according to the Moneyline Allocation set forth in Reuters Cost and Resource Schedule.
- (B) Moneyline shall be responsible for the costs of all Content Development Services according to the methodology set forth on Exhibit B.
- (C) Reuters or the applicable member of the Reuters Group and Moneyline shall share the costs of all Production Data Maintenance Services according to the Moneyline Allocation set forth in Reuters Cost and Resource Schedule.

9. Contacts.

- (A) All communications to Reuters regarding the Market Data Services set out in Section 4 of this Schedule shall be directed solely to Market Data Services Product and Production Manager or, if he/she is unavailable or does not respond within two (2) Business Days to Vice President, Market Data Services, to the Relationship Manager or to such other person or persons that the Relationship Manager may designate in writing from time to time. All communications to Reuters regarding the Content Development Services set out in Section 5 of this Schedule shall be directed solely to Manager, Data Acquisition Engineering Content Development Services or, if he/she is unavailable or does not respond within two (2) Business Days to Regional Head of Data-Asia, to Vice-President, TSA Management, to the Relationship Manager or to such other person or persons that the Relationship Manager may designate in writing from time to time. All communications to Reuters regarding the Production Data Maintenance Services set out in Section 6 of this Schedule shall be directed solely to Regional Head of Data-Asia, to the Vice President, TSA Management, to the Relationship Manager or to such other person or persons that the Relationship Manager may designate in writing from time to time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.

(B) All communications from Moneyline regarding the Market Data Services set out in Section 4 of this Schedule shall be initiated solely from Louise Lomax, Director Content EMEA; Kevin Taylor; Director Content Asia; and Anne Sorenson, Product Marketing, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. All communications from Moneyline regarding the Content Development Services set out in Section 5 of this Schedule shall be initiated solely from Jan Lew, Director Operations/Projects Americas; Louise Lomax, Director Content EMEA; and Kevin Taylor, Director Content Asia, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. All communications from Moneyline regarding the Production Data Maintenance Services set out in Section 6 of this Schedule shall be initiated solely from Jan Lew, Director Operations/Projects Americas; Louise Lomax, Director Content EMEA; and Kevin Taylor, Director Content Asia, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

EXHIBIT B

METHODOLOGY FOR DISCRETIONARY ADDITIONS, MODIFICATIONS, AND REMOVALS

Addition of new content that is Separately Permissionable**Includes:**

- 1) New feeds with new content for new sources (and new content is Separately Permissionable from existing Shared Content);
- 2) New feeds with new content for existing sources (and new content is Separately Permissionable from existing Shared Content); and
- 3) Existing feeds with new content for existing sources (and new content is Separately Permissionable from existing Shared Content).

	Non-Exhibit A Content				Exhibit A Content			
Applies to	Exchange Content		Other Content		Exchange Content		Other Content	
Initiated By	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline
Description	Reuters initiates the addition of 1) new Reuters Exclusive (Exchange) Content; or 2) new Shared (Exchange) Content (if (a) the parties mutually agree to add such content, or (b) such content already exist as Moneyline Exclusive (Exchange) Content).	Moneyline initiates the addition of 1) new Moneyline Exclusive (Exchange) Content; or 2) new Shared (Exchange) Content (if (a) the parties mutually agree to add such content, or (b) such content already exists as Reuters Exclusive (Exchange) Content).	n/a	Moneyline initiates the addition of new Moneyline Exclusive (other) Content.	n/a	n/a	n/a	n/a
Resulting Content Type	1) Reuters Exclusive Content; or 2) Shared Content	1) Moneyline Exclusive Content; or 2) Shared Content	n/a	Moneyline Exclusive Content	n/a	n/a	n/a	n/a
Data Sets	1	1	n/a	1 or 2 (if content already exists as Reuters Exclusive Content)	n/a	n/a	n/a	n/a
Development Allocation Attributable to Moneyline	1) n/a; or 2) (a) 1/2 of Person Days allocated to the specific project, or (b) a credit equal to 1/2 of Person Days allocated to the specific project.	1) All Moneyline or 2) (a) 1/2 of Person Days allocated to the specific project, or (b) 1/2 of Person Days allocated to the specific project.	n/a	All Moneyline	n/a	n/a	n/a	n/a

**Addition of new content (Reuters only) or modification of existing content that
is not Separately Permissionable from existing Shared Content**

Includes:

- 1) New feeds with new content for new sources (and new content is not Separately Permissionable from existing Shared Content);
- 2) New feeds with new content for existing sources (and new content is not Separately Permissionable from existing Shared Content);
- 3) Existing feeds with new content for existing sources (and new content is not Separately Permissionable from existing Shared Content);
- 4) Modification of existing feeds with existing content for existing sources (and modified content is not Separately Permissionable from existing Shared Content); and
- 5) Replacement of existing sources with a new source (and new source is not Separately Permissionable from existing Shared Content).

	Non-Exhibit A Content				Exhibit A Content			
Applies to	Exchange Content		Other Content		Exchange Content		Other Content	
Initiated By	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline
Description	Reuters initiates the addition of new Exchange content, the modification of existing Shared (Exchange) Content or a change in the source of Exchange content that is not Separately Permissionable from existing Shared Content and 1) Moneyline obtains relevant Content Licenses; or 2) Moneyline cannot obtain relevant Content Licenses and either: a) wants to retain the existing Shared Content; or b) wants to remove the existing Shared Content	Moneyline requests and Reuters approves modification of existing Shared (Exchange) Content that is not Separately Permissionable from existing Shared Content.	Reuters initiates the addition of new other content, the modification of existing Shared (other) Content or a change in the source of other content that is not Separately Permissionable from existing Shared Content and 1) Moneyline obtains relevant Content Licenses; or 2) Moneyline cannot obtain relevant Content Licenses and either: a) wants to retain the existing Shared Content; or b) wants to remove the existing Shared Content	Moneyline requests and Reuters approves modification of existing Shared (other) Content that is not Separately Permissionable from existing Shared Content.	Reuters initiates the addition of new Exchange content, the modification of existing Shared (Exchange) Content or a change in the source of Exchange content that is not Separately Permissionable from existing Shared Content and 1) Moneyline obtains relevant Content Licenses; or 2) Moneyline cannot obtain relevant Content Licenses and either: a) wants to retain the existing Shared Content; or b) wants to remove the existing Shared Content	Moneyline requests and Reuters approves modification of existing Shared (Exchange) Content that is not Separately Permissionable from existing Shared Content.	Reuters initiates the addition of new other content, the modification of existing Shared (other) Content or a change in the source of other content that is not Separately Permissionable from existing Shared Content and 1) Moneyline obtains relevant Content Licenses; or 2) Moneyline cannot obtain relevant Content Licenses and either: a) wants to retain the existing Shared Content; or b) wants to remove the existing Shared Content	Moneyline requests and Reuters approves modification of existing Shared (other) Content that is not Separately Permissionable from existing Shared Content.
Resulting Content Type	1) Shared Content; or 2) (a) original data set is Reuters Exclusive Content and duplicate data set is Moneyline Exclusive Content; or (b) Reuters Exclusive Content	Shared Content	1) Shared Content; or 2) (a) original data set is Reuters Exclusive Content and duplicate data set is Moneyline Exclusive Content; or (b) Reuters Exclusive Content	Shared Content	1) Shared Content; or 2) (a) original data set is Moneyline Exclusive Content and duplicate data set is Reuters Exclusive Content; or (b) Reuters Exclusive Content	Shared Content	1) Shared Content; or 2) (a) original data set is Moneyline Exclusive Content and duplicate data set is Reuters Exclusive Content; or (b) Reuters Exclusive Content	Shared Content
Data Sets	1) 1; or 2) (a) 2; or (b) 1	1	1) 1; or 2) (a) 2; or (b) 1	1	1) 1; or 2) (a) 2; or (b) 1	1	1) 1; or 2) (a) 2; or (b) 1	1
Development Allocation Attributable to Moneyline	1) 1/2 of Person Days allocated to the specific project; or 2) (a) addition of new Exchange content is n/a, and creating the duplicate data set is All Moneyline; or (b) n/a	1/2 of Person Days allocated to the specific project	1) 1/2 of Person Days allocated to the specific project; or 2) (a) addition of new Exchange content is n/a, and creating the duplicate data set is All Moneyline; or (b) n/a	1/2 of Person Days allocated to the specific project	1) 1/2 of Person Days allocated to the specific project; or 2) (a) n/a; or (b) n/a	1/2 of Person Days allocated to the specific project	1) 1/2 of Person Days allocated to the specific project; or 2) (a) n/a; or (b) n/a	1/2 of Person Days allocated to the specific project

Modification of Moneyline Exclusive Datas

	Non-Exhibit A Content				Exhibit A Content			
Applies to	Exchange Content		Other Content		Exchange Content		Other Content	
Initiated By	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline
Description	n/a	Moneyline requests the modification of existing content that is Moneyline Exclusive Content, that is Separately Permissionable from existing Shared Content	n/a	Moneyline requests the modification of existing content that is Moneyline Exclusive Content, that is Separately Permissionable from existing Shared Content	n/a	Moneyline requests the modification of existing content that is Moneyline Exclusive Content, that is Separately Permissionable from existing Shared Content	n/a	Moneyline requests the modification of existing content that is Moneyline Exclusive Content, that is Separately Permissionable from existing Shared Content
Resulting Content Type	n/a	Moneyline Exclusive Content	n/a	Moneyline Exclusive Content	n/a	Moneyline Exclusive Content	n/a	Moneyline Exclusive Content
Data Sets	n/a	1	n/a	1	n/a	1	n/a	1
Development Allocation	n/a	All Moneyline	n/a	All Moneyline	n/a	All Moneyline	n/a	All Moneyline

Removal of Shared Content that is Separately Permissionable

	Non-Exhibit A Content				Exhibit A Content			
Applies to	Exchange Content		Other Content		Exchange Content		Other Content	
Initiated By	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline
Description	Reuters initiates the removal of Shared (Exchange) Content from delivery to 1) its clients only; or 2) upon mutual agreement, to both its and Moneyline's clients.	Moneyline initiates the removal of Shared (Exchange) Content from delivery to 1) its clients only; or 2) upon mutual agreement, to both its and Reuters clients.	Reuters initiates the removal of Shared (other) Content from delivery to its clients.	Moneyline initiates the removal of Shared (other) Content from delivery to its clients.	Reuters initiates the removal of Shared (Exchange) Content from delivery to 1) its clients only; or 2) upon mutual agreement, to both its and Moneyline's clients.	Moneyline initiates the removal of Shared (Exchange) Content from delivery to 1) its clients only; or 2) upon mutual agreement, to both its and Reuters clients.	Reuters initiates the removal of Shared (other) Content from delivery to its clients.	Moneyline initiates the removal of Shared (other) Content from delivery to its clients.
Resulting Content Type	1) Moneyline Exclusive Content; or 2) n/a.	1) Reuters Exclusive Content; or 2) n/a.	n/a	n/a	1) Moneyline Exclusive Content; or 2) n/a.	1) Reuters Exclusive Content; or 2) n/a.	n/a	n/a
Data Sets	1) 1; or 2) 0	1) 1; or 2) 0	0 or 1 (if content still exists as Moneyline Exclusive Content)	0 or 1 (if content still exists as Reuters Exclusive Content)	1) 1; or 2) 0	1) 1; or 2) 0	0 or 1 (if content still exists as Moneyline Exclusive Content)	0 or 1 (if content still exists as Reuters Exclusive Content)
Development Allocation Attributable to Moneyline	1) n/a; or 2) 1/2 of Person Days allocated to the specific project.	1) All Moneyline or 2) 1/2 of Person Days allocated to the specific project.	n/a	All Moneyline	1) n/a; or 2) 1/2 of Person Days allocated to the specific project.	1) All Moneyline or 2) 1/2 of Person Days allocated to the specific project.	n/a	All Moneyline

Removal of Moneyline Exclusive Content

	Non-Exhibit A Content				Exhibit A Content			
Applies to	Exchange Content		Other Content		Exchange Content		Other Content	
Initiated By	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline	Reuters	Moneyline
Description	n/a	Moneyline initiates the removal of Moneyline Exclusive (Exchange) Content from delivery to its clients.	n/a	Moneyline initiates the removal of Moneyline Exclusive (other) Content from delivery to its clients.	n/a	Moneyline initiates the removal of Moneyline Exclusive (Exchange) Content from delivery to its clients.	n/a	Moneyline initiates the removal of Moneyline Exclusive (other) Content from delivery to its clients.
Resulting Content Type	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Data Sets	n/a	0 or 1 (if content still exists as Reuters Exclusive Content)	n/a	0 or 1 (if content still exists as Reuters Exclusive Content)	n/a	0 or 1 (if content still exists as Reuters Exclusive Content)	n/a	0 or 1 (if content still exists as Reuters Exclusive Content)
Development Allocation Attributable to Moneyline	n/a	All Moneyline	n/a	All Moneyline	n/a	All Moneyline	n/a	All Moneyline

SCHEDULE 2.01(a)(i)(3)

**REUTERS TRANSITIONAL SERVICE
FACILITIES SERVICES**

- 1. Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 - 2. Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule is conditioned on the following assumptions:
 - (A)** Moneyline may store at the Equipment Locations only as much equipment and spares as is necessary for Moneyline to service their clients in relation to the Software and associated packages/services as set forth in the Reuters Market Data Services and Data Management Schedule which were licensed by Moneyline pursuant to the Agreement or provide Services provided by Reuters under this Agreement.
 - (B)** Moneyline or the applicable member of the Moneyline Group shall ensure that its or their respective personnel comply with reasonable security, confidentiality and operational requirements at the Equipment Locations as notified in writing (including by way of reasonably prominent notice) to Moneyline or the applicable member of the Moneyline Group by Reuters or the applicable member of the Reuters Group.
 - (C)** Moneyline or the applicable member of the Moneyline Group shall not authorize anyone else to use the Equipment Locations other than its and their respective employees, agents or subcontractors and Moneyline may not assign or sublicense its rights with respect to any of the Equipment Locations.
 - (D)** In the event that it becomes necessary, based on the reasonable business needs of Reuters, to relocate to another facility operated by or on behalf of Reuters, Moneyline shall not materially obstruct Reuters relocation. Reuters shall be solely responsible for any costs and expenses incurred for such relocation; provided, however, that Moneyline shall be responsible for all costs and expenses resulting from Moneyline's material obstruction of Reuters relocation.
 - (E)** Moneyline and the members of the Moneyline Group shall not and shall cause its and their respective employees not to obstruct the common areas of any Equipment Location.
 - (F)** Moneyline and the members of the Moneyline Group shall not, and shall cause its and their respective employees not to, do any act or make any omission which would or might constitute a breach of any statutory requirement affecting any Equipment Location or which would or might vitiate in whole or in part any insurance effected in respect of the Equipment Location from time to time.
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(G) Moneyline and the members of the Moneyline Group shall not and shall cause its and their respective employees not to impede the exercise of Reuters rights of possession and control of the Equipment Locations.

(H) Moneyline and the members of the Moneyline Group shall and shall cause its and their respective employees to observe such reasonable rules and regulations as Reuters may make from time to time in the interests of good estate management governing the use of any Equipment Location including, without limitation, regulations to ensure the security of the Equipment Location through the implementation of security checks, passes and procedures for employees, contractors, consultants and visitors.

(I) Nothing in this Agreement shall create any lease, sub-lease or assignment of any Equipment Locations or any portion of such Equipment Locations.

3. **Equipment Locations.** To the fullest extent permitted by law, Reuters or a member of the Reuters Group authorizes Moneyline or a member of the Moneyline Group the non-exclusive use of such Equipment Locations for the physical placement of equipment including DFCs and Replicators owned or leased by Moneyline on such Equipment Locations as set forth on Exhibit A, which may be amended from time to time by Reuters upon not less than sixty (60) days prior written notice to Moneyline.

4. **Access to Facilities.** In light of significant confidentiality concerns, no employee of Moneyline or a member of the Moneyline Group shall access any Facility unless such employee is invited by, or obtains 12 hours prior consent from, an employee of Reuters or a member of the Reuters Group, and accesses such Facility under the supervision of an employee of Reuters or a member of the Reuters Group, unless consent and/or supervision requirements are waived on a case by case basis by the Reuters Group.

5. **Provision of Services.** For the Equipment Locations set forth in Section 3, Reuters or a member of the Reuters Group shall provide the following Services in relation to each Equipment Location as specifically set forth herein ("**Equipment Location Services**"):

(A) payment of rents, property taxes, utilities charges and landlord's service charges in each Equipment Location;

(B) maintenance of the building and any plant and equipment forming part of the building in a state of repair and condition appropriate to its user and in accordance with the terms of any lease in each Equipment Location;

(C) keeping the Equipment Locations (or procuring that the Equipment Locations are kept) insured against the risks usually insured against in accordance with good commercial practice;

(D) provision of security, cleaning, reception, incoming mail room, goods, deliveries and storage to the extent that Reuters has been providing such services at each Equipment Location;

- (E) provision of such other services to the Equipment Locations as Moneyline or the applicable member of the Moneyline Group may reasonably request or Reuters may reasonably specify; and
 - (F) for the Equipment Locations, at least sixty (60) days notification to Moneyline or a member of the Moneyline Group if Reuters or a member of the Reuters Group, based on reasonable business needs, determines to move an Equipment Location.
6. **Cost.** For each of the Equipment Locations, the amounts payable by Moneyline or a member of the Moneyline Group to Reuters shall be as set forth in the Reuters Cost and Resource Schedule.
7. **Other Provisions.** To ensure that Moneyline or a member of the Moneyline Group receives the full benefit of the Services set forth in this Schedule, the following shall apply:
- (A) **Applications for Consent.** To the extent that the consent of any landlord or other reversioner is required to permit lawful occupation of the Equipment Locations by Moneyline or a member of the Moneyline Group (a “**Requisite Consent**”) Reuters shall apply for the requisite consent.
 - (B) **Co-operation to Obtain Consent.** In the event Reuters applies for a Requisite Consent it shall use its commercially reasonable efforts to obtain such Requisite Consent. Moneyline shall supply such information and references as the landlord or any other reversioner may require for its consideration as to whether to grant such consent and shall enter into such covenants or agreements as the landlord (or any other reversioner) may properly require in granting the Requisite Consent.
 - (C) **Failure to Obtain Consent.** If for any reason, Reuters, using all reasonable commercial endeavors, is unable to obtain the Requisite Consent, Moneyline or the applicable member of the Moneyline Group's right to occupation to the applicable Equipment Location shall cease immediately and Reuters shall have no obligation to provide to Moneyline or a member of the Moneyline Group any alternative Equipment Location.
 - (D) **Costs.** All costs and expenses of obtaining a Requisite Consent shall be borne by Moneyline.
 - (E) **Security of Tenure.** This Schedule having been concluded at arm's length and the parties having received separate independent legal advice the parties agree that this Schedule takes effect as a mere license and does not grant Moneyline or the applicable member of the Moneyline Group exclusive possession or create a tenancy or other form of secured occupation and this Schedule and the Agreement do not create any lease or assignment of such premises or any portion of such premises.
 - (F) **No Holding Over.** No demand or receipt by Reuters at the termination of the Services set forth in this Schedule of any sum of money nor any acknowledgement given by Reuters shall constitute or evidence the creation of a hold-over tenancy or other form of secure occupation in Moneyline's or any member of the Moneyline Group's favor.

(G) Breach of the Provisions. If Moneyline or a member of the Moneyline Group breaches any terms of this Schedule and fails to cure such breach within ten (10) Business Days of notification by Reuters or a member of the Reuters Group, its right to occupation of the applicable Equipment Location shall cease immediately.

8. Term and Termination.

(A) Unless otherwise provided in this Schedule, the Term for each of the Services set forth in this Schedule shall be from the Moneyline Closing Date until:

- (i) Reuters lease of the applicable Equipment Location expires or is terminated by the landlord; it being understood that Reuters will be under no obligation to renew any lease; or
- (ii) the landlord of any Equipment Location issues proceedings against Reuters to ensure that Moneyline vacates the building.

(B) Upon termination pursuant to Section 8(A) of this Schedule, Moneyline shall promptly remove all equipment including DFCs and Replicators owned or leased by Moneyline from the relevant Equipment Location.

9. Contacts.

(A) All communications to Reuters regarding the Services set out in this Schedule shall be directed solely to Director, Facilities or, if he/she is unavailable or does not respond within two (2) Business Days to Vice President, Facilities, or to the Relationship Manager or such other person or persons that the Relationship Manager may designate in writing from time to time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.

(B) All communications from Moneyline regarding the Services set out in this Schedule shall be initiated solely from Larry Landau, Senior Vice President Global Operations, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

EXHIBIT A

EQUIPMENT LOCATIONS

	10050 Manchester Office	St. Louis, MO
	717 Office Parkway	St. Louis, MO
Ground Floor Computer Room	800 Rene Levesque Boulevard West	Montreal, Quebec
	145 W. King Street	Toronto, Ontario

SCHEDULE 2.01(a)(i)(4)

**REUTERS TRANSITIONAL SERVICE
HELP DESK/CRMC**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule is conditioned on the following assumptions:
 - (A) All references contained herein relating to specific persons, titles, reports, categories, lists and the like shall be amended from time to time throughout the term as necessary or appropriate to reflect changes made to systems and personnel.
 - (B) The parties understand and agree that any Services performed pursuant to this Schedule to the extent set forth on Exhibit C shall be subject to an Extraordinary Cost and shall be payable by Moneyline to Reuters on a time and materials basis at Reuters then current standard rates in accordance with the Reuters Cost and Resource Schedule.
 - (C) The parties understand and agree that Moneyline may, from time to time, escalate issues to an appropriate Reuters Level II support technician for further escalation in accordance with Reuters operating and escalation procedures for Reuters own clients; provided, however, that prior to escalation to Reuters, Moneyline must complete internal escalation procedures and must provide the Level II support technician documentation of the steps it took towards resolving the relevant issue.
 - (D) The parties understand and agree that effective as of Moneyline's termination of the Connectivity Management Services and Customer Support Services as set forth on the Reuters Terminated Services Schedule, the Moneyline help desk had the same monitoring and Software distribution tools to perform the same tasks that the Reuters help desk had prior to termination, with the exception of mass distribution capabilities. Reuters has no further obligation to provide or maintain any such monitoring or distribution tools to Moneyline.
 - (E) To the extent that any Software Development Services or Software Support Services are required regarding any version of any Software other than the most recent version of such Software, Reuters help desk may require Moneyline Clients to upgrade to the most recent version of such Software by a mutually agreed date; provided, however, that Moneyline Clients shall not be required to upgrade to the most recent version of such Software, if such version does not comply with the branding and packaging requirements specified in the Agreement and no Moneyline Clients have been previously upgraded to such version.
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- (F) Reuters shall undertake the same escalation procedures in light of a total outage for any Level II sources pursuant to Exhibit A of this Schedule, as it does for its preferred data sources internally.
- (G) Neither any Permitted Distributor nor any other affiliate of Moneyline (except for members of the Moneyline Group as set forth in the Agreement) nor any of its or their respective clients shall be permitted to contact the Reuters help desk or any Reuters employees in relation to the services being provided hereunder; provided however, that any entity providing to the Moneyline Group outsource services relating to help desk functions shall have the right to contact Reuters as provided in Section 2(C) of this Schedule above.
- (H) Moneyline or a member of the Moneyline Group or an outsource entity providing service to any of them shall provide Level I technical support to all Moneyline Clients. If an escalation to Reuters is needed, in Moneyline's reasonable opinion, Moneyline or its agent may escalate to Reuters. Each party will instruct their own clients to call the appropriate help desk to discuss the nature of the problem (i.e. Reuters clients will contact Reuters and Moneyline Clients will contact Moneyline).
- (I) Neither Moneyline nor any member of the Moneyline Group shall make or shall cause the making of any mass distributions (meaning the delivery of new releases of Software on a regional rather than individual basis or to multiple Licensed Users at the same time) using the Ticker Plant or the Reuters Network.

3. Distribution Management Services. In North America for the benefit of Moneyline's clients located in (i) North America and (ii) in Europe and Asia (but in Europe and Asia only outside of Moneyline's standard hours of provision of such services in the applicable region), Reuters or the applicable member of the Reuters Group will provide the following services to Moneyline solely in relation to the Software ("**Distribution Management Services**"):

- (A) subject to Section 2(I), the timely distribution to the applicable Moneyline Clients of all mass distributions of Releases and Enhancements, in Object Code format from time to time by Reuters no later than such Releases or Enhancements are distributed to Reuters clients;
- (B) monitoring the Replicators of Moneyline Clients to the Reuters Network including, issues relating to circuits and servers, and monitoring without limitation the server activities listed in Exhibit E hereto until such time as Shared Sites are sufficiently segmented; and
- (C) for Shared Sites, logging, prioritizing and resolving issues related to Moneyline Clients' losses in connectivity to, or data transfer from, the applicable Reuters Network.

4. **Reuters Second Level Support Services.** Pursuant to Section 6.04 of the Agreement, in North America for the benefit of Moneyline's clients located in (i) North America and (ii) in Europe and Asia (but in Europe and Asia only outside of Moneyline's standard hours of provision of such services in the applicable region), and in each case during the applicable Software License Term, Reuters or the applicable member of the Reuters Group shall provide the following Level II support services in accordance with Section 2(C) above to Moneyline solely in relation to the Software ("**Reuters Second Level Support Services**"):
- (A) Reuters shall use reasonable commercial efforts for Reuters and Moneyline generally, to resolve Trouble Tickets as set forth on Exhibit A hereto, including the following services:
 - (i) respond to and log in Vantive (or any Reuters successor system) Moneyline help desk queries regarding product functionality and content;
 - (ii) respond to and log in Vantive (or any Reuters successor system) Moneyline help desk technical issues; and
 - (iii) trouble shoot and solve issues on-line whenever reasonably practicable.
 - (B) If Reuters or the applicable member of the Reuters Group, in accordance with Reuters operating procedures for Reuters own clients, makes a determination not to dispatch a field technician to a Shared Site at any given time, Moneyline shall be permitted to request in writing the dispatch of any available field technicians to such Shared Site; provided, however, that such dispatch shall constitute an Extraordinary Cost and shall be payable by Moneyline to Reuters on a time and materials basis at Reuters then current standard rates.
 - (C) In the event that help desk support provided pursuant to Exhibit A does not resolve a Moneyline Trouble Ticket, Moneyline may call, the contacts listed on Exhibit B or any other person or persons that Reuters or the applicable member of the Reuters Group may designate from time to time.
5. **Reporting Obligations.** Reuters shall provide Moneyline with a weekly login misuse report, which shall be substantially in the form of Exhibit D attached hereto; provided, however, that neither Reuters nor any member of the Reuters Group shall be liable to Moneyline or any third party for any login misuse by a Moneyline Client.
6. **Meetings Obligations.** In the event of a level 2 or level 3 outage, at Moneyline's reasonable request at least twenty-four (24) hours prior to the requested meeting time and subject to Relationship Management Services Schedule, Reuters shall be available to discuss how such level 2 or level 3 outage was resolved.
7. **Contacts.**
- (A) All communications to Reuters regarding the Services set out in this Schedule shall be directed solely in accordance with the escalation procedures set forth in Exhibit A or in the event such procedure fails to resolve an inquiry within two (2) Business Days, to the Relationship Manager or such other person or persons that the Relationship Manager may designate in writing from time to time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.

- (B) All communications from Moneyline regarding the Services set out in this Schedule shall be initiated solely from Kirk Jones, Director Help Desk Americas; David Christie, Vice President, Operations EMEA; Larry Landau, Senior Vice President Global Operations, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

SCHEDULE 2.01(a)(i)(5)

**REUTERS TRANSITIONAL SERVICE
RELATIONSHIP MANAGEMENT SERVICES**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule is conditioned on the following assumptions:
 - (A) Nothing in this Schedule shall prohibit Moneyline from utilizing applicable escalation procedures set forth in another Schedule.
 - (B) In the event that the Relationship Manager takes a sick day, personal day or vacation, the Relationship Management Services set forth in Section 4 herein, shall be undertaken by the contacts listed in the applicable Schedules.
3. **Relationship Manager.** Reuters or the applicable member of the Reuters Group shall designate one Reuters employee (the “**Relationship Manager**”) who shall be responsible for providing, or causing the provision of, the Relationship Management Services set forth in Section 4 herein. Reuters or the applicable member of the Reuters Group may change the Relationship Manager from time to time; provided, however, that Reuters or the applicable member of the Reuters Group shall, to the maximum extent possible, provide Moneyline with prior written notification of such change and shall undertake commercially reasonable steps to ensure that the new Relationship Manager is adequately prepared to provide the Relationship Management Services set forth in Section 4 herein.
4. **Relationship Management Services.** The Relationship Manager shall provide, or cause to be provided, the following services to Moneyline solely in relation to the Services provided by Reuters or the applicable member of the Reuters Group (“**Relationship Management Services**”):
 - (A) **Building and Maintaining Relationships.** The Relationship Manager shall build and maintain relationships, for operational issues, with:
 - (i) the contact persons set forth in the Schedules; and
 - (ii) employees at all levels of the Moneyline organization.
 - (B) **Facilitation.** The Relationship Manager shall facilitate, whenever possible:
 - (i) the tracking and escalation of issues raised by Moneyline arising from the Agreement or from the provision of Services by Reuters or the applicable member of the Reuters Group;

(ii) the tracking and escalation of issues raised by Moneyline Clients, where such issues result from the provision of Services by Reuters or the applicable member of the Reuters Group to such client, and where such issues can not be resolved through Moneyline's utilization of the applicable escalation procedures set forth in the Schedules; and

(iii) the escalation of issues for Moneyline within Reuters and the applicable members of the Reuters Group.

(C) Liaisons. On a regular basis, upon the specific request of Moneyline, and where necessitated by operational issues, the Relationship Manager shall liaise:

(i) with the contacts set forth in the applicable Schedules to better ensure the timely provision of the Services;

(ii) with appropriate contacts within the Reuters quality assurance and software development groups;

(iii) with Reuters help desk for coordination of product issues and outages; and

(iv) between employees of the Moneyline help desk and the senior management of Moneyline and employees of the Reuters help desk and the senior management of Reuters to discuss Level II and Level III help desk support issues.

(D) Meetings.

(i) The Relationship Manager shall be responsible for organizing the regularly scheduled meetings and conference calls set forth in the Schedules, and whenever logistically possible, shall attend such meetings and participate on such conference calls.

(ii) The Relationship Manager shall attend on Moneyline's behalf, whenever logistically possible, Reuters change control meetings, or any successor meeting thereto, and shall inform Moneyline of any issues raised at such Meeting that the Relationship Manager determines are likely to affect the provision of Services by Reuters or the applicable member of the Reuters Group to Moneyline or Moneyline Clients.

(iii) In the event of a level 2 or level 3 outage and upon Moneyline's reasonable request, the Relationship Manager shall be responsible for organizing a meeting or conference call to discuss the outage in accordance with the Reuters Help Desk/CRMC Schedule, and whenever logistically possible, shall attend such meeting or participate on such conference call.

(E) Reports and Notifications.

- (i) The Relationship Manager shall be responsible for ensuring that the reports, lists, and notifications set forth on the Schedules are delivered to Moneyline on a timely basis.
- (ii) The Relationship Manager shall create and maintain a list of operational issues escalated by Moneyline in accordance with the escalation procedures set forth on the Schedules, and shall track the status of these issues, noting both the issues that have been resolved and the issues that Reuters has determined cannot be resolved. The Relationship Manager shall provide such list to Moneyline on the first Business Day of every month, and shall discuss such list with Moneyline, from time to time, upon Moneyline's request.
- (iii) In the event of a level 2 or level 3 outage and upon Moneyline's reasonable request, the Relationship Manager shall promptly issue a corporate statement substantially in the form of Exhibit A hereto, which shall include a description of the outage, its suspected causes, its related effects, actions taken, and other root causes analyses factors, in accordance with the Reuters Help Desk/CRMC Schedule.
- (iv) Upon Moneyline's request, which shall not be more frequent than once every five (5) Business Days, the Relationship Manager shall provide Moneyline with the number of Moneyline's Person Days of FTEs remaining for the current month and the number of Moneyline's Person Days remaining for the current year, to ensure Moneyline's compliance with the Reuters Cost and Resource Schedule.
- (v) The Relationship Manager shall prepare a daily report of issues raised at the Reuters change control meeting referenced in Section 4(D)(ii) above, which are likely to affect the provision of Services by Reuters or the applicable member of the Reuters Group to Moneyline or Moneyline Clients.

5. **Contacts.** All communications to Reuters regarding the Services set out in this Schedule shall be directed solely to Vice President, TSA Management or, if he/she is unavailable or does not respond within two (2) Business Days to Jenni Neumann.

EXHIBIT A

SAMPLE OUTAGE CORPORATE STATEMENT

Summary:

- 1) Date and Time of incident:**
- 2) Actual incident:**
- 3) Services affected:**
- 4) Time of resolution:**
- 5) Root cause of incident:**

Action Plan / Comments:

SCHEDULE 2.01(a)(i)(6)

**REUTERS TRANSITIONAL SERVICE
SHARED ADMINISTRATIVE SYSTEMS**

- 1. Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 - 2. Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule is conditioned on the following assumptions:
 - (A)** Moneyline shall acquire and maintain any and all software licenses with the technical specifications necessary for Reuters or a member of the Reuters Group to provide the Services set forth in this Schedule, including (a) to the extent required to allow Reuters to provide the Vantive Services, a license to the Sybase™ database, or such similar database used in the deployment of Vantive, and Vantive application maintenance, upgrade and operational support and (b) any licenses required by ProComm.
 - (B)** Moneyline acknowledges and agrees that in providing the Services set forth in this Schedule, Reuters or a member of the Reuters Group shall provide such Services in the manner it provides such Services generally to itself or a member of its Group or to its or their clients and nothing in this Schedule shall require Reuters or a member of the Reuters Group to modify, change or alter in any way the manner in which it provides such Services for any reason including the failure of Moneyline to maintain software licenses of the necessary technical specifications.
 - (C)** Moneyline acknowledges and agrees that the Services set forth in this Schedule are not being exclusively provided by Reuters to Moneyline or a member of the Moneyline Group.
 - (D)** Neither Reuters nor any member of the Reuters Group shall be required to provide any training to Moneyline or a member of the Moneyline Group or its or their employees in the provisioning of any Services.
 - (E)** Moneyline and the applicable member of the Moneyline Group shall only have non-administrator access to the MIS and Vantive systems.
 - (F)** Moneyline or any member of the Moneyline Group shall not have any access to the Reuters or a member of the Reuters Group's databases of the MIS or Vantive systems except as specifically necessary and required to provide the Moneyline Transitional Services and neither Reuters nor any member of the Reuters Group shall have any access to Moneyline or a member of the Moneyline's Group's databases of the MIS or Vantive systems, other than administrative access, except as specifically necessary and required to provide the Reuters Transitional Services; provided, however, it shall be understood that Reuters or a member of the Reuters Group shall segregate the databases and shall be solely responsible for determining who has administrative access to such databases.
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(G) Except for bulk orders processed in accordance with Section 3(E) herein, neither Reuters nor any member of the Reuters Group or its or their respective employees shall be required to process orders for Moneyline, members of the Moneyline Group, or Moneyline Clients.

(H) Except for the reporting requirements set forth herein, neither Reuters nor any member of the Reuters Group nor its or their respective employees shall be required to develop or distribute to Moneyline or any member of the Moneyline Group, reports based on Vantive and MIS data for Moneyline, any member of the Moneyline Group or its or their respective clients.

3. **MIS Services.** Reuters or the applicable member of the Reuters Group shall provide the following services to Moneyline (the “**MIS Services**”):

(A) the contact person designated by Reuters in Section 6 shall provide a user name and password to each user designated by Moneyline in writing of the MIS systems to access those databases which contain information related to Moneyline clients within the MIS- related software applications;

(B) access to the databases to which the Moneyline-designated users shall have access shall generally record and archive information related to order management, order capture, processing and billing of Moneyline records (including without limitation, Add-On Software and other Software for which Moneyline must generate User counts), maintaining and transmitting Moneyline User authorizations to the Ticker Plant, and compiling and producing reports of Exchange and third party accesses and the associated fees payable to the Exchange or the third party;

(C) access to the MIS databases via Procomm software or via thin web browser to an intranet site as set forth in Section (4) of the Reuters Technical Operations Schedule, the databases which run the authorizations and restrictions models, the exchange entitlement and reporting modules, permissioning, reporting and billing modules, lookup and editing functions, and order processing modules (including bulk MIS requests), and the reporting (both electronic and hard copy) relating to the foregoing modules;

(D) maintain the interface which transmits data between MIS and Moneyline’s SAP system and/or SAVVIS’ Vantive (or successor) system; and

(E) processing bulk orders reasonably requested, whether initiated by a Moneyline Client or by Moneyline or a member of the Moneyline Group.

4. **Vantive Services.** Reuters or the applicable member of the Reuters Group shall provide the following services to Moneyline (the “**Vantive Services**”):

- (A) support for the operation and maintenance of the Vantive system including support and maintenance of the “loose link” connection of Vantive between SAVVIS Communications and Moneyline;
- (B) allowing Moneyline personnel to enter orders, check status, resolve bill inquiries, log service issues and retrieve product information, and run and print reports (both electronically and in hard copy) to the same extent such reports are available to Reuters;
- (C) automating call routing and tracking, workflow, and problem resolution;
- (D) providing access to historic client information of Moneyline;
- (E) providing access point for call tracking, problem management, and problem resolution, capturing and displaying information related to system status, trouble tickets, known product defects, and other data; and
- (F) servicing all Vantive Service Requests (VSRs) and Vantive Enhancement Requests (VERs) from Moneyline or a member of the Moneyline Group.

5. **Reports.** To the extent Moneyline or the applicable member of the Moneyline Group is unable to generate these reports, Moneyline shall have constant access, both in electronic and hardcopy format, to the full suite of reports in both Vantive and MIS relating to Moneyline clients, shared clients, and Exchange reporting and permissioning clients to the same extent such reports are available to Reuters. Reuters shall not delay or terminate any request from Moneyline or any member of the Moneyline Group to print or access such reports, and all such reports shall be processed on a first come/first served basis, provided, however, that where such reports are of such size that the MIS system applies predetermined delays (regardless of whether such reports are generated by Reuters or Moneyline), then the processing of such report will occur when there exists sufficient system capacity.

6. **Contacts.**

- (A) All communications to Reuters regarding the Services set out in this Schedule shall be directed solely to Vice President, MIS or Vantive Development Manager, if they are unavailable or do not respond within two (2) Business Days to Senior Vice President, MIS, or to the Relationship Manager or such other person or persons that the Relationship Manager may designate in writing from time to time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.
- (B) All communications from Moneyline regarding the Services set out in this Schedule shall be initiated solely from Adam Napoli, Director Client Services; Sally Waselik, Director Corporate Systems; Conor McCarthy, Treasurer, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

SCHEDULE 2.01(a)(i)(7)

**REUTERS TRANSITIONAL SERVICE
SOFTWARE SUPPORT AND SOFTWARE DEVELOPMENT**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule are conditioned on the following assumptions:
 - (A) With the exception of those resources dedicated to the Active1, Version 7.1.x software as set forth in Section 6.04(c)(4) of the Agreement, no employees of Reuters or any member of the Reuters Group shall be exclusively dedicated to providing Software Support Services and Software Development Services to Moneyline or its clients.
 - (B) Except as specifically set forth in Article VI of the Agreement and as specifically set forth on Exhibit A and Exhibit B attached hereto, with regard to Software Development Services, Reuters or the applicable member of the Reuters Group shall not be required to make available to Moneyline or its clients, any enhancements or customizations that Reuters or the applicable member of the Reuters Group provides or develops specifically for its or their clients. Without limiting the foregoing, Reuters or the applicable member of the Reuters Group will not be required to make available to Moneyline or its clients, enhancements to the Software relating to additions of or modifications to Reuters Exclusive Content.
 - (C) Any Software Support Services or Software Development Services provided by Reuters or the applicable member of the Reuters Group pursuant to Exhibit C of Reuters Help Desk/CRMC Schedule shall be considered Additional Services.
 - (D) Moneyline agrees that, commencing upon signing of this Agreement, it shall only install server images as certified by Reuters in accordance with Section 4(D) below, but only to the extent that Reuters has certified compatible server images.
 3. **Software Support Services.** Reuters or the applicable member of the Reuters Group shall provide software support services in accordance with Section 6.04 of the Agreement (“**Software Support Services**”).
 4. **Software Development Services.** Reuters or the applicable member of the Reuters Group shall provide the following software development services to Moneyline (“**Software Development Services**”):
 - (A) pursuant to the Reuters Market Data Services and Data Management Schedule, develop and modify Software to allow software systems at the Ticker Plant to accept and translate streams of new data or modifications to existing data received from Content Providers at Moneyline’s reasonable request;
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- (B) fix Bugs at its sole discretion; provided, however, that in determining the order in which identified Bugs are fixed, Reuters agrees to consider Bugs that have been identified by Moneyline, in accordance with the following procedure:
- (i) From time to time, but no more frequently than once every ten (10) Business Days, Moneyline may present Reuters or the applicable member of the Reuters Group with a list of Bugs identified by Moneyline or Moneyline's clients containing the following information, where applicable, for each identified Bug:
 - (1) a detailed description of the Bug, including a screen capture, where necessary;
 - (2) the version of front-end software in which the Bug occurred;
 - (3) the server IP address of version number where the Bug occurred;
 - (4) the operating system on which the Bug occurred;
 - (5) the service pack level of the operating system on which the Bug occurred;
 - (6) all hardware specifications of the computer(s) on which the Bug occurred;
 - (7) other market data software installed at the client site(s) where the Bug occurred;
 - (8) the applicable version of Microsoft Office;
 - (9) Dr. Watson logs;
 - (10) the priority of the Bug to Moneyline clients (high, medium, low);
 - (11) the time(s) and date(s) the Bug was encountered; and
 - (12) a Moneyline contact for discussion of any issues relating to the Bug.
 - (ii) Reuters shall assess if each Bug identified by Moneyline is a valid Bug and shall include a list of valid Bugs on the next Bug report, in the manner set forth in Section 5(B) herein.
 - (iii) Reuters shall, in its sole discretion, determine whether or not to fix each valid Bug.

- (iv) If Reuters determines that the Bug is valid, but that it effects only Moneyline clients, Moneyline shall have the right to require Reuters to fix the Bug by utilizing part of the allocation of person hours provided to Moneyline under the Reuters Cost and Resource Schedule.
- (C) designate one person to whom Moneyline project managers may direct queries, from time to time, solely related to the Software set forth on Exhibits F and G of the Agreement;
- (D) upon the release of a new server image, provide build instructions to a designated Moneyline employee, pursuant to which Moneyline shall build such server image in accordance with the following procedure:
 - (i) Moneyline shall build such server image using software licensed by Moneyline and shall ensure that only designated Moneyline employees are in possession of the image software;
 - (ii) Moneyline shall then submit the newly built server image to a designated Reuters employee who shall promptly either certify its accuracy, or provide Moneyline with a response that details the deficiencies therein that must be fixed in order for the server image to be certified; and
 - (iii) If the image is not certified, Moneyline should resubmit the server image to Reuters for their review in accordance with the process set forth in Section 4(D)(ii) above.
- (E) upon Moneyline's request, assist Moneyline in creating a Japanese language version of a version of Telerate Workstation Version 6.x or BridgeStation Version 6.x licensed by Moneyline, in accordance with the following procedure:
 - (i) Reuters shall provide Moneyline with a final English installation script of the applicable version of Telerate Workstation Version 6.x or BridgeStation Version 6.x;
 - (ii) Moneyline shall prepare Japanese binaries from the final English installation script for translation and shall translate and reformat layouts to suit the Japanese language;
 - (iii) Moneyline shall return final Japanese binaries to a designated Reuters install script developer and shall prepare local packaging;
 - (iv) Reuters shall develop a Japanese installation script, and in collaboration with Moneyline, shall iteratively test the Japanese installation script and packaging (it being understood that such testing shall be for quality assurance purposes only, and not for further development); and
 - (v) Moneyline shall be responsible for implementing or distributing the Japanese language version to Moneyline Clients.

5. Reports. Reuters or the applicable member of the Reuters Group shall provide Moneyline with the following reports:

- (A) a weekly status report, which shall be substantially in the form of Exhibit C attached hereto;
- (B) a monthly Bug report, which shall be substantially in the form of Exhibit D attached hereto, and which shall contain Bugs identified in the most recent released version of the Software and, where applicable, the previous version thereto; provided, however, that:
 - (i) the Bug report shall be for Moneyline's internal use only and shall not be shared with Moneyline Clients, unless Moneyline obtains prior written consent from Reuters or the applicable member of the Reuters Group, which consent shall not be unreasonably withheld or delayed, and
 - (ii) Reuters or any member of the Reuters Group shall have no obligation to fix any Bugs on the basis of their inclusion in this report.
- (C) a permission ID mapping update report once every ten (10) Business Days, which shall be substantially in the form of Exhibit E attached hereto; and
- (D) upon the commissioning of new Releases and Enhancements, a report listing proposed generally available Bug fixes and Enhancements to be included therein; provided, however, that unless otherwise required by this Schedule or the Agreement, Reuters or any member of the Reuters Group shall have no obligation to fix any Bugs or to make any Enhancements on the basis of their inclusion in this report.

6. Technical Release Documentation.

- (A) For maintenance releases of the Software set forth on Exhibits F and G of the Agreement, Reuters or the applicable member of the Reuters Group shall provide Moneyline with technical release Documentation when the relevant build is delivered to Moneyline, which for each Software shall be substantially similar to the relevant form in Exhibit F attached hereto; provided, however, that Reuters shall only be obligated to provide such technical release Documentation to the extent Reuters produces such documentation for its own internal use.

7. Contacts.

- (A) All communications to Reuters regarding the Services set out in this Schedule shall be directed solely to Vice President, Central Systems QA or, if he/she is unavailable or does not respond within two (2) Business Days to Senior Vice President, QA, or to the Relationship Manager or such other person or persons that the Relationship Manager may designate in writing from time to time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.

(B) All communications from Moneyline regarding the Services set out in this Schedule shall be initiated solely from Jan Lew, Director Operations/Projects Americas; Louise Lomax, Director Content EMEA; and Kevin Taylor, Director Content Asia, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

SCHEDULE 2.01(a)(i)(8)

**REUTERS TRANSITIONAL SERVICE
TECHNICAL OPERATIONS**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule is conditioned on the following assumptions:
 - (A) Subject to Section 3(E) herein, Moneyline shall own and be responsible for the purchase and physical installation of all DFCs related exclusively to Moneyline Exclusive Content; provided, however, that Reuters shall promptly provide to Moneyline, at Moneyline's request, detailed specifications for DFCs.
 - (B) Reuters shall own and be responsible for the purchase and physical installation of all DFCs related to Reuters Exclusive Content and Shared Content in North America in accordance with Reuters Facilities Services Schedule and shall own all DFCs related to Reuters Exclusive Content and Shared Content in Europe, Asia and Africa; provided, however, that at the request of Reuters, Moneyline or a member of the Moneyline Group shall install DFCs in Europe and Asia in Moneyline sites.
 - (C) Reuters and members of the Reuters Group shall only be required to support the then current standard hardware and software desktop configurations supported by Reuters or the applicable member of the Reuters Group in the ordinary course of its business in the applicable location.
 - (D) Neither Reuters nor the applicable member of the Reuters Group shall be obligated to support any configurations other than the then current standard hardware and software desktop configurations that Reuters or the applicable member of the Reuters Group utilizes for its or their employees in the applicable location.
 - (E) Reuters shall not segment Moneyline Clients away from Reuters clients at the Replicator level in the distribution system (excluding CPE) for as long as Moneyline and Reuters are utilizing a shared network. For the avoidance of doubt, subject to the terms and conditions of this Agreement, the event of the parties no longer sharing the same communication network shall not, in and of itself, alter Reuters obligations to perform the Services set forth in this Schedule. Notwithstanding the foregoing, Moneyline may purchase and manage its own Replicators in North America and elsewhere, and Reuters shall configure such Replicators within three (3) Business Days of established connectivity.
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- (F) Moneyline shall own and be responsible for the purchase and physical installation of all shared Replicators in Europe and Asia; provided, however, that Reuters shall pay the agreed proportion of the cost as set forth on the Moneyline Cost and Resource Schedule.
- (G) Subject to Sections 2(A) and 2(L), Moneyline may request that Reuters consent to and perform the installation of DFCs at the Ticker Plant, such consent and performance not to be unreasonably withheld or delayed by Reuters or any member of the Reuters Group.
- (H) Unless specifically authorized by Reuters or a member of the Reuters Group, Moneyline shall not install any DFCs or any Replicators on Reuters premises or Reuters Network.
- (I) Any request for the addition of any data sources by Moneyline shall be subject to Reuters review with regard to its impact on the Reuters Network and systems. Subject to Reuters Market Data Services and Data Management Schedule and the Reuters Software Support and Software Development Schedule, in the event that Reuters determines that the addition of any such data source will require changes to increase the capacity of Reuters Network or systems and in the event that Moneyline or Moneyline Clients are the sole beneficiaries of such changes, Moneyline shall be solely responsible for the payment of any costs related thereto; provided, however, that in no event shall Reuters, any member of the Reuters Group or its or their respective employees be responsible for adding such data sources absent payment by Moneyline of such costs. For clarity, where the addition of a data source requires changes to increase the capacity of Reuters Network or systems and Reuters or its clients are the sole beneficiaries of such changes, Moneyline shall have no payment obligations for costs related thereto, and where both Reuters and Moneyline benefit from changes to increase the capacity of Reuters Network or systems, the costs related thereto shall be shared equally or prorated, as appropriate.
- (J) Any requests for alterations of the configuration of the delivery and distribution system by Moneyline shall be subject to the review and consent of Reuters or the applicable member of the Reuters Group, which consent shall not be unreasonably withheld or delayed; provided, however, that if such alteration adversely impacts the Reuters Network or systems, Reuters or the applicable member of the Reuters Group shall not be responsible for any resulting reduction in the service levels directly attributable to such alteration.
- (K) Except as set forth in Section 3 herein or in Reuters Market Data Services and Data Management Schedule, in no event shall Reuters, any member of the Reuters Group or its or their respective employees be required to manage, monitor or maintain the network, systems, or communication facilities before the entry into the applicable DFC or the network, systems or communication facilities between the network Replicators and the applicable servers.

(L) Neither Reuters nor any member of the Reuters Group shall be responsible for the installation, maintenance or resolution of issues encountered due to Moneyline security procedures; provided, however, that upon the submission of a written request by Moneyline, Reuters or the applicable member of the Reuters Group shall cooperate with Moneyline for so long as Moneyline is using the Reuters Networks, at Moneyline's expense, as reasonably necessary to determine whether a user access problem is due to a Moneyline security procedure or firewall configuration, and if applicable, shall provided the designated Moneyline LAN or security personnel with information related to the security conflict which may include IP addresses, port numbers, and NAT table information, to assist Moneyline in resolving the problem on its own. Subject to the Reuters Shared Administrative Systems Schedule, for the avoidance of doubt, Reuters is obligated to provide access to Vantive and MIS systems in accordance with Reuters security procedures.

(M) Reuters shall escalate all data outages in accordance with the escalation procedures set forth on Exhibit A of the Reuters Help Desk/CRMC Schedule.

3. **Management of Data Collection and Distribution Systems.** Reuters or the applicable member of the Reuters Group will provide the following services to Moneyline solely in relation to Software ("**Management of Data Collection and Distribution Systems**"):

- (A) remote management of the data collection, data distribution and storage systems shared by Moneyline and any member of the Reuters Group;
- (B) maintenance, software installations and upgrades to the data, collection, data distribution and storage systems shared by Moneyline and any member of the Reuters Group. In the provision of services, Reuters shall have quality personnel on call and readily available for all extraordinary time and data events including daylight savings time, leap year, and year end;
- (C) remote monitoring of capacity, functionality and connectivity of the data collection, data distribution and storage systems shared by Moneyline and any member of the Reuters Group;
- (D) remote management of all Replicators and DFCs which service Moneyline Clients (including notification by Reuters or the applicable member of the Reuters Group to Moneyline when the capacity of a Replicator reaches eighty percent (80%) where Moneyline is solely responsible for the scalability of such Replicators); and
- (E) upon Moneyline's reasonable written request, Reuters or the applicable member of the Reuters Group shall procure the equipment necessary to configure a pair of DFCs for Moneyline, such request not to occur more than once every five (5) Business Days. On receipt of such request Reuters will perform an initial configuration and dispatch such equipment for delivery by an appropriate shipping agent. Within five (5) days of Moneyline's written confirmation that all communications and necessary technical arrangements are in place to allow Reuters to configure and install the DFCs, Reuters shall complete physical installation for such pair of DFCs.

(F) updating the user database with Moneyline's intraday input of client information three (3) times a Business Day in accordance with the standard Reuters order schedule.

4. **Office Automation Network Services.** Reuters or the applicable member of the Reuters Group will provide the following services to Moneyline ("Office Automation Network Services"):

(A) until such time as Moneyline terminates MIS Services, access to 167.76.13.20/misweb/web_apps.htm and 167.76.13.79/misweb/web_apps.htm;

(B) until such time as Moneyline terminates Vantive Services, access to <http://vantive.smp.bridge.com>; and

(C) until such time as this Schedule is terminated, Reuters discontinues using the IP addresses, or Reuters gives Moneyline access to such information at different IP addresses, whichever occurs first:

(i) access to <http://www.netsysdev.bridge.com/>, which provides real-time access to page statistics; and

(ii) access to <http://167.76.76.21/www/xmt.html>, which provides transmitter and Replicator statistics.

5. **Reports.** Reuters or the applicable member of the Reuters Group shall provide Moneyline with the following reports:

(A) a weekly report substantially in the form of Exhibit A; provided, however, that statistics will be supplied on a segregated basis sufficient to allow Moneyline to ensure that the performance metrics are comparable between Reuters and Moneyline at such time as comparative metrics are required;

(B) a report for each of the host machines, substantially in the form of Exhibit B denoting the Average Transaction Rates for the Pages Databases; and

(C) a report substantially in the form of Exhibit C denoting Transmitter/Replicator Connection Statistics.

6. Contacts.

- (A) All communications to Reuters regarding the Services set out in this Schedule shall be directed solely to Vice President, Technical Operations or, if he/she is unavailable or does not respond within two (2) Business Days to Senior Vice President, Technical Operations, or to the Relationship Manager or such other person or persons that the Relationship Manager may designate in writing from time to time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.
- (B) All communications from Moneyline regarding the Services set out in this Schedule shall be initiated solely from Teddy Boutrup, Director Systems Architecture; Paul Bonessi, Director Crucible Operations; Kirk Jones, Director Help Desk Americas, or such other person or persons that Moneyline designates in writing from time to time, which shall never exceed two additional persons at any one time. Reuters or the applicable member of the Reuters Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

SCHEDULE 2.01(a)(i)(9)

**REUTERS TRANSITIONAL SERVICE
TERMINATED SERVICES**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 2. **Terminated Services.** Reuters or the applicable member of the Reuters Group provided each of the following services to Moneyline from the Moneyline Closing Date to the date set forth below ("**Terminated Services**") and the amounts payable by Moneyline to Reuters for such Terminated Services shall be as set forth on Reuters Resource and Cost Schedule:
 - (A) **Invoicing Services.** In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline ("**Invoicing Services**") from the Moneyline Closing Date until August 31, 2002, which included printing and mailing invoices for Moneyline Clients and the processing of exceptions in Moneyline's billing processes; provided, however, that Reuters discontinued mailing invoices to Moneyline Clients on May 31, 2002.
 - (B) **Datafeed Administration – Datafeed Access Declarations (DADs).** In North America, Reuters or the applicable member of the Reuters Group provided Datafeed Administration services to Moneyline from the Moneyline Closing Date until August 31, 2002, which included producing DADs quarterly and addressing specific DAD questions posed by Moneyline.
 - (C) **Technical Account Manager Services.** In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline ("**TAM Services**") from the Moneyline Closing Date until July 15, 2002, which included acting as a technical liaison for Moneyline in relation to the applicable installed products for certain Moneyline Clients and making recommendations for optimizing client performance at Moneyline Client sites.
 - (D) **Planning Engineering Services.** In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline ("**Planning Engineering Services**") from the Moneyline Closing Date until October 31, 2002, which included coordinating with Moneyline or the applicable member of the Moneyline Group or its or their clients to arrange for the installation of the relevant products, including, the ordering of all necessary and related third party equipment, software and communications lines.
 - (E) **Client Site Service Engineer Services.** In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline ("**Client Site Service Engineer Services**") from the Moneyline Closing Date until October 31, 2002, which included responding to on-site technical support Work Orders including those related to installations, moves and change requests and the scheduling and implementation of any applicable on-site maintenance for Moneyline Clients.
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(F) Equipment Sourcing and Procurement Services. In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline (“**Equipment Sourcing and Procurement Services**”) until October 31, 2002, which included procuring CPEs for use by Moneyline Clients, DFCs, and Replicator equipment.

(G) Inventory Management and Distribution Services. In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline (“**Inventory Management and Distribution Services**”) until October 31, 2002, which included managing equipment inventory at the Reuters warehouse and coordinating with third party vendors in order to distribute equipment to Moneyline or Moneyline Clients.

(H) Connectivity Management Services. In North America for the benefit of Moneyline Clients located in (i) North America and (ii) in Europe and Asia (but in Europe and Asia only outside of Moneyline’s standard hours of provision of such services in the applicable region), Reuters or the applicable member of the Reuters Group provided services to Moneyline (“**Connectivity Management Services**”) until October 31, 2002 which included monitoring the connectivity of Moneyline Clients to the Reuters Network.

(I) Customer Support Services. In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline (“**Customer Support Services**”) from the Moneyline Closing Date until October 31, 2002, which included responding to Moneyline Clients’ queries regarding product functionality and content, responding to Moneyline Clients’ technical issues and dispatching technicians to repair CPEs at Moneyline Clients’ sites.

(J) Desktop Support Services. In North America, Reuters or the applicable member of the Reuters Group provided services to Moneyline (“**Desktop Support Services**”) from the Moneyline Closing Date until November 26, 2002, which included desktop support, LAN management, office telecommunications procurement and support, employee dial up connectivity and VPN access for Moneyline employees.

3. **Terminated Facilities Services.** Reuters or the applicable member of the Reuters Group authorized Moneyline or a member of the Moneyline Group, on a non-exclusive basis, the use of the following Facilities and provided services, including maintenance and security, to Moneyline at such Facilities (“**Facility Location Services**”) from the Moneyline Closing Date until the dates set forth below, and the amounts payable by Moneyline to Reuters for such Facilities and Facility Location Services shall be follows:

(A) For the Facility located at State Street Plaza, New York, New York, \$750 per occupant per month plus a mark-up of five percent (5%) and \$149.95 per occupant per month for Desktop Support Services plus a mark-up of five percent (5%) from the Moneyline Closing Date until October 17, 2002, and \$750 per occupant per month plus a mark-up of ten percent (10%), and \$149.95 per occupant per month for Desktop Support Services plus a mark-up of ten percent (10%) from October 18, 2002 until such Facility was vacated on November 26, 2002.

- (B)** For the Facility located at 717 Office Parkway, St. Louis Missouri and the Facility 795 Office Parkway, St. Louis, Missouri, \$750 per occupant per month plus a mark-up of five percent (5%), \$250 per occupant per month for office automation, operation and maintenance plus a mark-up of five percent (5%), \$149.95 per occupant per month for Desktop Support Services plus a mark-up of five percent (5%) from the Moneyline Closing Date until such Facility was vacated on October 18, 2002.
- (C)** For the Facility located at 2465 Faber Place, Palo Alto, California, fifty percent (50%) of the monthly rental payments from the Moneyline Closing Date until such Facility was vacated on September 20, 2002.

4. Contacts. All communications to Reuters regarding the Terminated Services shall be directed solely to Jenni Neumann.

SCHEDULE 2.01(a)(ii)(1)

**MONEYLINE TRANSITIONAL SERVICE
FACILITIES SERVICES**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Moneyline or the applicable member of the Moneyline Group set forth in this Schedule is conditioned on the following assumptions:
 - (A) Reuters or the applicable member of the Reuters Group shall ensure that its or their respective personnel comply with reasonable security, confidentiality and operational requirements at the Equipment Locations as notified in writing (including by way of reasonably prominent notice) to Reuters or the applicable member of the Reuters Group by Moneyline or the applicable member of the Moneyline Group.
 - (B) Reuters or the applicable member of the Reuters Group shall not authorize anyone else to use the Equipment Locations other than its and their respective employees, agents or subcontractors and Reuters may not assign or sublicense its rights with respect to any of the Equipment Locations.
 - (C) In the event that it becomes necessary, based on the reasonable business needs of Moneyline, to relocate to another facility operated by or on behalf of Moneyline, Reuters shall not materially obstruct Moneyline's relocation. Moneyline shall be solely responsible for any costs and expenses incurred for such relocation; provided, however, that Reuters shall be responsible for all costs and expenses resulting from Reuters' material obstruction of Moneyline's relocation.
 - (D) Reuters and the members of the Reuters Group shall not and shall cause its and their respective employees not to obstruct the common areas of any Equipment Location.
 - (E) Reuters and the members of the Reuters Group shall not, and shall cause its and their respective employees not to, do any act or make any omission which would or might constitute a breach of any statutory requirement affecting any Equipment Location or which would or might vitiate in whole or in part any insurance effected in respect of the Equipment Location from time to time.
 - (F) Reuters and the members of the Reuters Group shall not and shall cause its and their respective employees not to impede the exercise of Moneyline's rights of possession and control of the Equipment Locations.
 - (G) Reuters and the members of the Reuters Group shall and shall cause its and their respective employees to observe such reasonable rules and regulations as Moneyline may make from time to time in the interests of good estate management governing the use of any Equipment Location including, without limitation, regulations to ensure the security of the Equipment Location through the implementation of security checks, passes and procedures for employees, contractors, consultants and visitors.
-

(H) Nothing in this Agreement shall create any lease, sub-lease or assignment of any Equipment Locations or any portion of such Equipment Locations.

- 3. Equipment Locations.** To the fullest extent permitted by law, Moneyline or a member of the Moneyline Group authorizes Reuters or a member of the Reuters Group the non-exclusive use of such Equipment Locations for the physical placement of equipment including DFCs owned or leased by Reuters on such Equipment Locations as set forth on Exhibit A, which may be amended from time to time by Moneyline upon not less than sixty (60) days prior written notice to Reuters.
- 4. Access to Facilities.** In light of significant confidentiality concerns, no employee of Reuters or a member of the Reuters Group shall access any Moneyline Facility unless such employee is invited by, or obtains 12 hours prior consent from, an employee of Moneyline or a member of the Moneyline Group, and accesses such Facility under the supervision of an employee of Moneyline or a member of the Moneyline Group, unless consent and/or supervision requirements are waived on a case by case basis by the Moneyline Group.
- 5. Provision of Services.** For the Equipment Locations set forth in Section 3, Moneyline or a member of the Moneyline Group shall provide the following services in relation to each Equipment Location as specifically set forth herein ("**Equipment Location Services**"):
 - (A)** payment of rents, property taxes, utilities charges and landlord's service charges in each Equipment Location;
 - (B)** maintenance of the building and any plant and equipment forming part of the building in a state of repair and condition appropriate to its user and in accordance with the terms of any lease in each Equipment Location;
 - (C)** keeping the Equipment Locations (or procuring that the Equipment Locations are kept) insured against the risks usually insured against in accordance with good commercial practice;
 - (D)** provision of security, cleaning, reception, incoming mail room, goods, deliveries and storage to the extent that Moneyline has been providing such services at each Equipment Location;
 - (E)** provision of such other services to the Equipment Locations as Reuters or the applicable member of the Reuters Group may reasonably request or Moneyline may reasonably specify; and
 - (F)** for the Equipment Locations, at least sixty (60) days notification to Reuters or a member of the Reuters Group if Moneyline or a member of the Moneyline Group, based on reasonable business needs, determines to move an Equipment Location.

6. **Cost.** For each of the Equipment Locations, the amounts payable by Reuters to Moneyline shall be as set forth in the Moneyline Cost and Resource Schedule.
7. **Other Provisions.** To ensure that Reuters or a member of the Reuters Group receives the full benefit of the Services set forth in this Schedule, the following shall apply:
- (A) **Applications for Consent.** To the extent that the consent of any landlord or other reversioner is required to permit lawful occupation of the Equipment Locations by Reuters or a member of the Reuters Group (a "**Requisite Consent**") Moneyline shall apply for the requisite consent.
- (B) **Co-operation to Obtain Consent.** In the event Moneyline applies for a Requisite Consent it shall use its commercially reasonable efforts to obtain such Requisite Consent. Reuters shall supply such information and references as the landlord or any other reversioner may require for its consideration as to whether to grant such consent and shall enter into such covenants or agreements as the landlord (or any other reversioner) may properly require in granting the Requisite Consent.
- (C) **Failure to Obtain Consent.** If for any reason, Moneyline using all reasonable commercial endeavors, is unable to obtain the Requisite Consent, Reuters' or the applicable member of the Reuters Group's right to occupation to the applicable Equipment Location shall cease immediately and Moneyline shall have no obligation to provide to Reuters or a member of the Reuters Group any alternative Equipment Location.
- (D) **Costs.** All costs and expenses of obtaining a Requisite Consent shall be borne by Reuters.
- (E) **Security of Tenure.** This Schedule having been concluded at arm's length and the parties having received separate independent legal advice the parties agree that this Schedule takes effect as a mere license and does not grant Reuters or any member of the Reuters Group exclusive possession or create a tenancy or other form of secured occupation and this Schedule and the Agreement do not create any lease or assignment of such premises or any portion of such premises.
- (F) **No Holding Over.** No demand or receipt by Moneyline at the termination of the Services set forth in this Schedule of any sum of money nor any acknowledgement given by Moneyline shall constitute or evidence the creation of a hold-over tenancy or other form of secure occupation in Reuters' or any member of the Reuters Group's favor.
- (G) **Breach of the Provisions.** If Reuters or a member of the Reuters Group breaches any terms of this Schedule and fails to cure such breach within ten (10) Business Days of notification by Moneyline or a member of the Moneyline Group, its right to occupation of the applicable Equipment Location shall cease immediately.

8. Term and Termination.

- (A) Unless otherwise provided in this Schedule, the Term for each of the Services set forth in this Schedule shall be from the Moneyline Closing Date until:
- (i) Moneyline's lease of the applicable Equipment Location expires or is terminated by the landlord; it being understood that Moneyline will be under no obligation to renew any lease; or
 - (ii) the landlord of any Equipment Location issues proceedings against Moneyline to ensure that Reuters vacates the building.
- (B) Upon termination pursuant Section 8(A) of this Schedule, Reuters shall promptly remove all equipment including DFCs and Replicators owned or leased by Reuters from the relevant Equipment Location.

9. Contacts.

- (A) All communications to Moneyline regarding the Services set out in this Schedule shall be directed solely to Gordon Lai, Senior Vice President Operations Asia or David Christie, Vice President Operations EMEA, or, if he/she is unavailable or does not respond within two (2) Business Days to Larry Landau, Senior Vice President Global Operations, or to such other person or persons that the Moneyline may designate in writing from time to time. Moneyline or the applicable member of the Moneyline Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.
- (B) All communications from Reuters regarding the Services set out in this Schedule shall be initiated solely from Jenni Neumann or such other person or persons that Reuters designates in writing from time to time, which shall never exceed two additional persons at any one time. Moneyline or the applicable member of the Moneyline Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

EXHIBIT A
EQUIPMENT LOCATIONS

Country	City/Town	Location
Greece	Athens	c/o SPACE HELLAS 59 EM. BENAKI, 5th Floor, Athens 10681
Austria	Vienna	Kaerntner Ring 12, 1010 Wien, Austria
Switzerland	Zurich	Limmatstrasse 291 CH – 8005 Zuerich
Finland	Helsinki	Telehouse Helsinki Kuortaneenkatu 5, 3rd floor
Finland	Helsinki	Etelaesplanadi 22A 4th Floor, 00130 Helsinki
Germany	Berlin (Passauer)	Passauer Str. 8-9 10789 Berlin
Germany	Munchen	Amiraplatz 3 D 80333 Munich
Germany	Frankfurt (2,3 & 4th)	Mainzer Landstrabe 23a D 60329
Hungary	Budapest	1051 Budapest, Hungary Bajcsy-Zsilinszky ut. 12. 2/201
Italy	Rome	via del Tritone 169, 00187 ROME
Italy	Milan (3rd Floor)	Via Amedei 15, 20123 Milan
Poland	Warsaw	Warsaw Financial Ctr E.Platter Nr 53 00113. Warsaw.
Saudi Arabia	Riyadh	Apartment #1161 Salehiya Building King Fahd Road, Riyadh
Spain	Madrid	Ramirez de Arellano 29, 28043 Madrid
Sweden	Stockholm	Biblioteksgatan 12 Box 7595 SE-103 93
Turkey	Istanbul	Maya Akar Sistenler A.S Buyukdere Cas No 100-102 K.5 D.25-26 80280 Esentepe Istanbul
Belgium	Brussels 1	273 Avenue de Tervueren, 1150 Brussels Belgium
Denmark	Copenhagen	Kongens Nytorv 6, 1050 Copenhagen K
Norway	Oslo	5th Floor Rosenkrantzgatan 20 0160 Oslo

Country	City/Town	Location
UK	London	Exchange Tower 1 Harbour Exchange Square E14 9GB
France	Paris	5, Boulevard Montmartre 75002 Paris
Luxembourg	Luxembourg	34 AVENUE GUILLAUME 1650 Luxembourg
China	Beijing	Kerry Centre Level 5, Units 521-525 No. 1 Guang Hua Road Chao Yang District Beijing 100020
China	Beijing	C/O Beijing Telegraph Office 11 Xi Chang An Street Beijing P.R.C., China 100031
China	Shanghai	C/O Data Network Management Center Shanghai Information Industry 5/F, No. 61 Fenyang Road, Shanghai Shanghai, China 200031
Australia	Melbourne	c/o MCI Worldcom Lvl 2 Co Location Room 330-340 Spencer St Melbourne Australia
Australia	Sydney	Unit 1301, Level 13 60 Margaret Street Sydney, NSW 2000 Australia
Australia	Sydney	c/o Optus Optus Data Center, Level 1, 549-599 Harriss St. Ultimo
Hong Kong	Hong Kong	11/F, HK Telecom CSL Tower 322 Des Voeux Rd. Central
Hong Kong	Hong Kong	Room 408, 4/F Hermes House 10 Middle Road, T.S.T. Kin, Hong Kong
Japan	Tokyo	Kyodo Tsushin Ikebukuro Bunshitu 5F 3-13-3 Higashi Ikebukuro Toshima ku Tokyo 170 0013
Japan	Tokyo	17th Floor KDD Building 3-2 Nishi-Shinjuku 2-chome Shinjuku-ku Tokyo 163-8003
Japan	Tokyo	Intel Online Services 7F NTT Hitotsubashi Building 1-2-1 Hitotsubashi Chiyoda-ku Tokyo 100-0003

Country	City/Town	Location
India	Mumbai	c/o Indian Quotation Systems 96 Mittal Chambers 9th Floor 226, Backbay Reclamation Nariman Point Mumbai, India 400 021
India	New Delhi	c/o Indian Quotation systems 16 Bhai Vir Singh Marg New Delhi, India 110 001
Korea	Seoul	Yonhap News Rm 203, 2nd Floor Yonhap Building 85-01, Soosong-dong, Chongru-Ku Seoul
Korea	Seoul	Korea Stock Exchange 33 Yoido-dong Youngdungpo-ku Seoul
New Zealand	Wellington	Savvis Australia Pty Ltd c/o MCI Worldcom/Clear Avalon Data Centre Percy Cameron Avenue Lower Hutt Wellington, New Zealand
Indonesia	Jakarta	c/o Antara News Agency 1807 Wisma Antara building 17 Merdeka Salantan Jakarta, Indonesia 10110
Malaysia	Kuala Lumpur	Zone 5 & 6, 12/F, Arab-Malaysian Bldg. 55 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia
Thailand	Bangkok	Abdulrahim Place, Unit 608 6th Floor, 990 Rama 4 Road Bangrak Bangkok Thailand
Philippines	Makati City	Globe Telecoms Ground Floor, Vernida 1 Building Amorsolo Street, Legasspi Village Makati City, Philippines
Taiwan	Taipei	ITA 9th Floor Communications Building No. 31, Ai Kuo East Road Taipei, Taiwan
Singapore		151 Lorong Chuan #02-03 New Tech Park Singapore 556741
Singapore		#02-03 & 02-04 5 Tampines Central 6 Telepark, Singapore

SCHEDULE 2.01(a)(ii)(2)

**MONEYLINE TRANSITIONAL SERVICE
HELP DESK/CRMC**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Moneyline or the applicable member of the Moneyline Group set forth in this Schedule are conditioned on the following assumptions.
 - (A) The parties understand and agree that any Services performed pursuant to this Agreement to the extent set forth on Exhibit D hereto shall be subject to an Extraordinary Cost and shall be payable by Reuters to Moneyline on a time and materials basis at Moneyline then current standard rates in accordance with the Moneyline Cost and Resource Schedule.
 - (B) To the extent necessary to provide Services under this Schedule, Moneyline help desk may require Reuters clients to upgrade to the most recent version of software then licensed by Reuters or Moneyline.
3. **Distribution and Connectivity Management.** In Europe and Asia for the benefit of Reuters clients located in Europe and Asia during the Term, Moneyline or the applicable member of the Moneyline Group will provide the following services to Reuters solely in relation to eBridge including BridgeChannel, Bridge Trading and Security Administration ("**Distribution and Connectivity Management Services**"):
 - (A) upon not less than fifteen (15) Business Days' written request from Reuters to Moneyline, the distribution of bug fixes released in object code format by Moneyline to requested eBridge Reuters clients;
 - (B) monitoring the connectivity of Reuters clients to the Reuters Network including, issues relating to circuits and servers, and monitoring the server activities listed in Exhibit A (as may be amended by Moneyline upon written notice to Reuters; provided that the metrics monitored will be substantially similar to those listed on Exhibit A and Moneyline has made the same changes with respect to its own clients); and
 - (C) for Shared Sites, logging, prioritizing and resolving issues related to Reuters clients' losses in connectivity to, or data transfer from, the applicable Reuters Network.

4. **Server Farm Management.** In Europe and Asia for the benefit of Reuters clients located in Europe and Asia during the Term, Moneyline or the applicable member of the Moneyline Group will provide the following services to Reuters solely in relation to eBridge including Bridge Channel, Bridge Trading and Security Administration (“**Server Farm Management Services**”):
- (A) installing, monitoring and maintaining server farms with Internet connectivity located in facilities as listed in Moneyline Facilities Services Schedule; and
 - (B) logging, prioritizing and resolving issues related to Reuters client’s losses in connectivity to, or data transfer from, the applicable Reuters network.
5. **Customer Support.** In Europe and Asia during the Term, Moneyline or the applicable member of the Moneyline Group will provide the following services to Reuters solely in relation to eBridge including Bridge Channel, Bridge Trading and Security Administration from the Moneyline facilities located in London and Singapore (“**Customer Support Services**”):
- (A) Moneyline shall use the same reasonable commercial efforts for Moneyline and Reuters clients generally, to resolve Trouble Tickets as set forth on Exhibit B hereto, including the following services:
 - (i) respond to and log in Vantive (or any Moneyline successor system) clients queries regarding product functionality and content;
 - (ii) respond to and log in Vantive (or any Moneyline successor system) clients technical issues;
 - (iii) troubleshoot and solve issues on-line whenever reasonably practicable; and
 - (iv) dispatch technicians to repair CPEs at Reuters client sites.
 - (B) If Moneyline or the applicable member of the Moneyline Group, in accordance with Moneyline operating procedures for Moneyline’ own clients, makes a determination not to dispatch a field technician to a Reuters client at any given time, Reuters shall be permitted to request in writing the dispatch of any available field technicians to such Reuters client; provided, however, that such dispatch shall constitute an Extraordinary Cost and shall be payable by Reuters to Moneyline on a time and materials basis at Moneyline then current standard rates.
 - (C) In the event that help desk support provided pursuant to Exhibit B does not resolve a Reuters Trouble Ticket, Reuters may call, the contacts listed on Exhibit C or any other person or persons that Moneyline or the applicable member of the Moneyline Group may designate from time to time.

6. Meetings Obligations.

- (A) In relation to the services set forth in Section 3 and 4 above, a Moneyline employee with adequate knowledge and authority shall be available on a weekly basis at such time as is mutually agreed by the parties to discuss all issues relating to the services provided hereunder.
- (B) In the event of a level 2 or level 3 outage, at Reuters reasonable request, Moneyline shall be available to discuss the outage and Moneyline shall promptly issue, at Reuters request, a factually correct corporate statement to include a description of the outage, its suspected causes, its related effects, actions taken, and other root causes analyses factors

7. Contacts.

- (A) All communications to Moneyline regarding the Services set out in this Schedule shall be directed solely in accordance with the escalation procedures set forth in Exhibit C or in the event such procedure fails to resolve an inquiry within two (2) Business Days, to Larry Landau, Senior Vice President Global Operations, or such other person or persons that Moneyline may designate in writing from time to time. Moneyline or the applicable member of the Moneyline Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.
- (B) All communications from Reuters regarding the Services set out in this Schedule shall be initiated solely from Vice President, TSA Management or such other person or persons that Reuters designates in writing from time to time, which shall never exceed two additional persons at any one time. Moneyline or the applicable member of the Moneyline Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

SCHEDULE 2.01(a)(ii)(3)

**MONEYLINE TRANSITIONAL SERVICE
TECHNICAL OPERATIONS**

1. **Definitions.** Capitalized terms used but not otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement.
 2. **Assumptions.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Moneyline or the applicable member of the Moneyline Group set forth in this Schedule are conditioned on the following assumptions:
 - (A) Reuters shall own and be responsible for the purchase and physical installation of all DFCs related to Reuters Exclusive Content and Shared Content in North America in accordance with Reuters Facilities Services Schedule and shall own all DFCs related to Reuters Exclusive Content and Shared Content in Europe, Asia and Africa; provided, however, that at the request of Reuters, Moneyline or a member of the Moneyline Group shall install DFCs in Europe and Asia in Moneyline sites.
 - (B) Moneyline shall own and be responsible for the purchase and physical installation of all shared Replicators in Europe and Asia; provided, however, that Reuters shall pay the agreed proportion of the cost as set forth on Moneyline Cost and Resource Schedule.
 3. **Technical Support.** During the Term, Moneyline or the applicable member of the Moneyline Group will provide the following services to Reuters or the applicable member of the Reuters Group upon their reasonable request ("**Technical Support**"):
 - (A) technical support including hardware support, installation and repair of equipment for DFCs and Replicators located in Moneyline leased/owned locations in Europe and Asia; and
 - (B) technical support including hardware support, installation and repair of server farms located in Moneyline leased/owned locations in Europe and Asia which service eBridge and BridgeChannel clients.
 4. **Contacts.**
 - (A) All communications to Moneyline regarding the Services set out in this Schedule shall be directed solely to Gordon Lai, Senior Vice President Operations Asia or David Christie, Vice President Operations EMEA, or, if either one is unavailable or does not respond within two (2) Business Days to Larry Landau, Senior Vice President Global Operations, or to such other person or persons that the Moneyline may designate in writing from time to time. Moneyline or the applicable member of the Moneyline Group shall not be required to respond to any communications regarding these Services that are directed to any other persons.
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(B) All communications from Reuters regarding the Services set out in this Schedule shall be initiated solely from Vice President, TSA Management or such other person or persons that Reuters designates in writing from time to time, which shall never exceed two additional persons at any one time. Moneyline or the applicable member of the Moneyline Group shall not be required to respond to any communications regarding these Services that are directed from any other persons.

SCHEDULE 3.01

REUTERS SERVICE LEVELS

1. Help Desk Service Levels. Reuters shall perform all Reuters Second Level Support Services in accordance with the following:

A. General – Performance shall be measured on a calendar monthly basis.

B. Escalation Procedures – The acceptable time periods for Reuters help desk escalation are set forth in Sections A.2, A.3 and D.2 of Exhibit A to the Reuters Help Desk/CRMC Schedule. Subject to the terms and conditions of the Agreement (including the Reuters Help Desk/CRMC Schedule) and to Moneyline’s compliance with its obligations thereunder, for each documented instance in which Reuters fails to meet such time periods for escalation, Reuters will owe Moneyline a credit against amounts invoiced by Reuters in the amount of \$250 per instance for each of the first ten (10) instances in a month, \$500 per instance for each of eleventh (11th) through twentieth (20th) instances in such month, and \$1,000 for each other instance occurring in such month thereafter, but in no case will the credit be greater than the monthly Help Desk charges.

2. Market Data Services and Data Management Service Levels. Reuters shall perform all Market Data Services and Content Development Services in accordance with the following:

A. General – Performance shall be measured on a calendar monthly basis.

B. Market Data And Content Development Service Levels

1. **General** – Subject to the terms and conditions of the Agreement (including the Reuters Market Data Services and Data Management Schedule) and to Moneyline’s compliance with its obligations thereunder, for each documented instance in which Reuters fails to respond to Moneyline’s request for Market Data Services and Content Development Services under Section 7 of the Reuters Market Data Services and Data Management Schedule within the time periods set out in such Section, Reuters will owe Moneyline a credit against amounts invoiced by Reuters in the amount of \$1,000 per instance per Business Day that Reuters has exceeded the specified time frame.

3. Software Support And Software Development Service Levels. Reuters shall perform all Software Support Services and Software Development Services in accordance with the following:

A. General – Performance shall be measured on a quarterly basis.

B. Software Releases – Subject to the terms and conditions of the Agreement (including the Reuters Software Support and Software Development Schedule) and to Moneyline’s compliance with its obligations thereunder, for each documented instance in which Reuters fails to make a Release or Enhancement to Software available to Moneyline within five (5) Business Days of the date of Reuters makes the same available to its own clients, Reuters will owe Moneyline a credit against amounts invoiced by Reuters in the amount of \$2,500 per instance per Business Day.

4. Shared Administration Service Levels. Reuters shall perform all MIS Services and Vantive Services in accordance with the following:

A. General – Performance shall be measured on a quarterly basis.

B. MIS and Vantive Access – Subject to the terms and conditions of the Agreement (including the Reuters Shared Administrative Systems Schedule) and to Moneyline’s compliance with its obligations thereunder, if (and only if) (i) Moneyline is unable to access MIS or Vantive for a period of greater than 24 hours after Moneyline duly notifies Reuters of such lack of access, (ii) the problem is entirely within control of Reuters (and not of Moneyline, a Network Provider or any other third party) and (iii) during the same period Reuters has unimpeded access to MIS or Vantive (as applicable), then Reuters will owe Moneyline a credit against amounts invoiced by Reuters in the amount of \$2,500 per Business Day that the problem continues.

5. Technical Operations Service Levels. Reuters shall perform all Management of Data Collection and Distribution Systems in accordance with the following:

A. General – Performance shall be measured on a quarterly basis.

1. **DataFeed Collectors** – The acceptable time period for Reuters to respond to Moneyline requests for configuration and installation of DFCs is set forth in Section 3(E) of the Reuters Technical Operations Schedule. Subject to Moneyline’s compliance with its obligations under the Reuters Technical Operations Schedule, for each documented instance in which Reuters fails to comply with the specified time period, Reuters will owe Moneyline a credit against amounts invoiced by Reuters in the amount of \$2,000 per Business Day.
2. **Replicators** – The acceptable time period for Reuters to respond to Moneyline requests for configuration of replicators is set forth in Section 3(E) of the Reuters Technical Operations Schedule. Subject to Moneyline’s compliance with its obligations under the Reuters Technical Operations Schedule, for each documented instance in which Reuters fails to comply with the specified time period, Reuters will owe Moneyline a credit against amounts invoiced by Reuters in the amount of \$1,000 per Business Day.

6. Relationship Manager Service Levels. Reuters shall perform all Relationship Management Services in accordance with the following:

A. General – Performance shall be measured on a quarterly basis.

B. Change Control – In the event the Reuters Relationship Manager fails to meet the reporting time frames set out in Section 4(E)(v) of the Reuters Relationship Management Services Schedule and such failure meet the specified time frames relates to a change that has a material and adverse effect on the services being received by Moneyline Clients, then Reuters will owe Moneyline a credit against amounts invoiced by Reuters in the amount of \$10,000 per instance.

SCHEDULE 3.02

MONEYLINE SERVICE LEVELS

1. **Help Desk Service Levels**. Moneyline shall perform all Customer Support Services in accordance with the following:

A. General – Performance shall be measured on a calendar monthly basis.

B. Escalation Procedures – The acceptable time periods for Moneyline help desk escalation are set forth in Sections 3, 5 and 8 of Exhibit B to the Moneyline Help Desk/CRMC Schedule. Subject to the terms and conditions of the Agreement (including the Moneyline Help Desk/CRMC Schedule) and to Reuters compliance with its obligations thereunder, for each documented instance in which Moneyline fails to meet such time periods for escalation, Moneyline will owe Reuters a credit against amounts invoiced by Moneyline in the amount of \$250 per instance for each of the first ten (10) instances in a month, \$500 per instance for each of eleventh (11th) through twentieth (20th) instances in such month, and \$1,000 for each other instance occurring in such month thereafter, but in no case will the credit be greater than the monthly Help Desk charges.

SCHEDULE 8.01(A)

REUTERS COST AND RESOURCE SCHEDULE

1. **Definitions.** Capitalized terms used but otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement. The parties agree that, in the event of a conflict between this Schedule and the body of the Agreement, the terms of this Schedule shall apply.
2. **Assumptions and Obligations.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Reuters or the applicable member of the Reuters Group set forth in this Schedule is conditioned on the following assumptions:
 - (A) This Schedule together with the Agreement sets forth the manner in which the payments to be made by Moneyline to Reuters and/or a member of the Reuters Group, as applicable from time to time, for the Reuters Transitional Services shall be calculated and invoiced.
 - (B) It is understood and agreed that Fixed Costs do not cover any Extraordinary Costs to be paid by Moneyline or a member of the Moneyline Group. Moneyline shall be permitted to request that Reuters or any member of the Reuters Group incur Extraordinary Costs; provided, however, in no event shall Reuters or any member of the Reuters Group be required to incur such Extraordinary Costs except as specifically provided in the Schedules.
 - (C) The amounts to be paid by Moneyline or a member of the Moneyline Group pursuant to this Schedule shall be paid in accordance with Article VIII of the Agreement and pursuant to an invoice that contains at least as much detail as the sample invoice attached as Exhibit A hereto.
 - (D) The parties acknowledge and agree this Schedule relates solely to Cost and Resource allocation and nothing in this Schedule shall augment or change any of the Services set forth in the Schedules or any of the Software provided to Moneyline under the Agreement.
3. **Allocation Methodology.**
 - (A) On each Recalibration Date, or if such Recalibration Date is not a Business Day, the next succeeding Business Day, Reuters and Moneyline shall each:
 - (i) generate, using the MIS system (or any successor system thereto), a SVCCNT Report in accordance with the parameters set forth on Exhibit B hereto and a Feed CNTS Report in accordance with the parameters set forth on Exhibit C hereto;

- (ii) calculate the number of their respective Station Product Users, Feed Products Users, Channel Products Log-Ins, BIT Accessors and Other Products Users as follows:
- (a) **“Station Products Users”** shall equal the sum of all External Users authorized to access a Station Product as represented on the SVCCNT Report generated in accordance with Section 3(A)(i) herein. For example, using the form of SVCCNT Report generated by the MIS system as of the date of the execution of this Agreement (**“MIS SVCCNT Report”**), Station Product Users would equal the sum, of all “ucnt cust” whose “wor_prod” is a Station Product (e.g., BSPKG).
 - (b) **“Feed Products Users”** shall equal the sum of all FEEDCNT for External Feed Users as represented on the Feed CNTS Report generated in accordance with Section 3(A)(i) herein. For example, using the form of Feed CNTS Report generated by the MIS system as of the date of the execution of this Agreement (**“MIS Feed CNTS Report”**), Feed Product Users would equal the sum of all “feedcnt1(HS)” whose “ccateg” is not “Z”.
 - (c) **“Channel Products Log-Ins”** shall equal:
 - (1) for Channel Products whose access is controlled by superbits (Reuters only), the average number of log-ins by unique users to Channel Products per month over the six month period preceding the applicable Recalibration Date as reported by the Reuters UTX System in accordance with the parameters set forth on Exhibit D1 hereto.
 - (2) for all Channel Products not covered by Section (3)(A)(ii)(c)(1) herein, the sum of all Customers authorized to access a Channel Product as represented on the SVCCNT Report generated in accordance with Section 3(A)(i) herein. For example, on the MIS SVCCNT Report, Channel Products Log-Ins would equal the sum of all “ucnt_cust” whose “wor_prod” is a Channel Product (e.g., BCPKG).
 - (d) **“WDK Accessors”** shall equal (until the Reuters UTX and Moneyline TRS Systems both have the capability to measure the number of unique log-ins of WDK servers) the sum of all Unique WDK_Servers designated as External Servers, as measured by the Vantive system (or any successor system thereto) in accordance with the parameters set forth on Exhibit D2 hereto, multiplied by ten (10). At such time as both Reuters UTX and Moneyline TRS Systems are capable of accurately measuring the number of unique

log-ins of WDK servers, the WDK Accessors shall equal the average number of unique log-ins per month over the six month period preceding the applicable Recalibration Date as reported by both systems in accordance with the parameters set forth on Exhibit D3 hereto.

(e) “**Other Product Users**” shall equal the total number of end users of Other Products whether or not included in customer invoices of the applicable party.

(iii) calculate the number of their respective Ticker Plant Users as follows:

(a) “**Moneyline Ticker Plant Users**” shall equal the sum of clauses (3)(A)(ii)(a) through (e) herein with respect to Moneyline; and

(b) “**Reuters Ticker Plant Users**” shall equal the sum of clauses (3)(A)(ii)(a) through (e) herein with respect to Reuters.

(iv) provide the number of their respective Ticker Plant Users to the other party.

(B) Prior to using a successor system, rather than the MIS system, to generate the reports set forth in Section 3(A)(ii) herein:

(i) the party who is planning to use a successor system (the “**Migrating Party**”) shall provide the other party (the “**Non-Migrating Party**”) with at least thirty (30) days prior written notice of such intent and shall provide the Non-Migrating Party with sample SVCCNT Reports and Feed CNTS Reports generated via both the MIS system and the successor system for identical time periods using materially similar data;

(ii) within ten (10) Business Days of receiving notice and sample reports from the Migrating Party, the Non-Migrating Party shall provide written comments to the Migrating Party detailing any concerns it has regarding the successor system;

(iii) within five (5) Business Days of the Non-Migrating Party providing written comments, the parties shall meet and discuss in good faith the Non-Migrating Party’s concerns regarding the successor system; and

(iv) the Migrating Party shall make reasonable commercial efforts to address all concerns raised by the Non-Migrating Party regarding the successor system.

Thereafter, the Migrating Party shall use the successor system to generate the reports set forth in Section 3(A)(ii) herein in the manner agreed upon by the parties in Sections (B)(i) through (iv) herein.

(C) In the event that the Migrating Party’s use of a successor system to calculate Moneyline Ticker Plant Users or Reuters Ticker Plant Users pursuant to Section 3(A) herein reveals any material change from previous results generated pursuant to Section 3(A) herein, the parties agree that, within thirty (30) days of the written request of the Non-Migrating Party, the Non-Migrating Party’s third party auditor may audit the reports generated by the successor system to ensure that such reports are calculated in accordance with Section 3(A) herein.

(D) Notwithstanding anything to the contrary contained herein, the parties agree that if any systemic errors in the application of the methodology set forth in Section 3(A) herein in the MIS system are uncovered by the application of such methodology in any successor system, neither party will have the right to seek the recalculation of amounts due and owing for the period when the MIS system was used, based on such errors.

4. **Cost Methodology.** Reuters or a member of the Reuters Group, as applicable, shall be responsible for the amounts set forth below which shall be invoiced to Moneyline in accordance with Section 4(D) of this Schedule.

(A) Fixed Costs:

(i) **Ticker Plant Costs** – The Ticker Plant Costs payable by Moneyline shall be equal to the Monthly Ticker Plant Charges in the amounts set forth for each year as indicated below and based on the following variables:

A = Ticker Plant Costs multiplied by the Moneyline Allocation;

B = [* * *] which is the amount by which the Ticker Plant Costs shall be marked up; and

C = [* * * * * * * * * *]

Year	Period	Monthly Ticker Plant Charges
First	October 18, 2001 – October 17, 2002	[* * * * * * * * * *]
Second	October 18, 2002 – October 17, 2003	[* * * * * * * * * *]
Third	October 18, 2003 – October 17, 2004	[* * * * * * * * * *]
Fourth	October 18, 2004 – October 17, 2005	[* * * * * * * * * *]

(a) As a condition to the use of Moneyline Or Moneyline Clients or any Permitted Distributors of the Ticker Plant after October 17,

2004, Moneyline shall pay to Reuters thirty (30) days prior to such date, a sum equal to:

[* * * * *]

- (ii) **FTE Fully Loaded Costs for Reuters Fixed Cost Services.** Moneyline shall be invoiced for all the amounts related to FTE Fully Loaded Costs for Reuters Fixed Cost Services multiplied by the Moneyline Allocation plus in each case a mark-up as set forth for each year below:

Year	Period	Mark-up
First	October 18, 2001 – October 17, 2002	[* * * * *]
Second	October 18, 2002 – October 17, 2003	[* * * * *]
Third	From October 18, 2003 – and thereafter	[* * * * *]

(B) Prioritization.

- (i) The parties understand and agree that Reuters or a member of the Reuters Group shall be solely responsible for the operation of its respective business and Network. Except as set forth in Section (B) below, neither Moneyline nor any member of the Moneyline Group shall have the ability to direct or control the activities or output of any FTEs.
- (ii) Notwithstanding the foregoing, Moneyline shall have the ability to direct and allocate the output of the equivalent of up to ninety (90) Person Days of FTEs per month, subject to a cap of one thousand (1,000) Person Days of FTEs per annum, cumulatively for projects designated by Moneyline solely in relation to the Content Development Services and Software Development Services (the “**Prioritization Amount**”). In no event shall Moneyline be permitted to carry any unused portion of the Prioritization Amount into a subsequent month or the following year.
- (iii) In relation to determining whether or not Moneyline has utilized the Prioritization Amount, the parties understand and agree that fifty percent (50%) of the FTEs undertaken in relation to Shared Data (other than for work which is mandatory in order to comply with regulatory parties or Content Providers) shall be deemed utilized by Moneyline and one hundred percent (100%) of the FTEs undertaken in relation to Moneyline Exclusive Data shall be deemed to be utilized by Moneyline.

- (C) **Recalibration.** Reuters may increase the Reuters Fixed Cost Services and the services associated with the Ticker Plant. Moneyline may decrease certain Reuters Fixed Costs Services in accordance with Section 4(C)(i). Pursuant to any such changes, Reuters shall recalibrate the Moneyline Allocation and Fixed Costs

based on internal measurements on the Recalibration Date. Any resulting changes in the payment obligations set forth herein shall become effective with the first invoice issued following the most recent Recalibration Date.

- (i) It is understood and agreed that the number of FTEs providing the Services set forth in the Reuters Help Desk/CRMC Schedule and Reuters Client Administration Schedule, can be reduced by partial transition as agreed by the parties upon thirty (30) days notice by Moneyline. Any resulting decrease in the amounts owed by Moneyline shall be reflected as a credit to Moneyline on the first invoice following the next Recalibration Date.
- (ii) It is understood and agreed that the FTE Fully Loaded Costs shall be fixed until the next applicable Recalibration Date.

(D) Invoicing and Payment. Reuters shall invoice Moneyline on the first Business Day of each month in advance for Fixed Costs. Moneyline shall remit payment for such Fixed Costs no later than thirty (30) days after the date of the invoice.

5. Cost Methodology for Licenses.

(A) Moneyline shall pay Reuters the License Fees set forth below for each copy of the Fee Liable Software (or any software included in, or derived from, Fee Liable Software) that a Licensed User is authorized to directly or indirectly access or use (the "License Fees"). The Licenses Fees will be assessed based on the Baseline Product Package to which the product or service that the Licensed User is authorized to access is most similar. Such similarity will be determined based on relevant product or service content and functionality. In no event shall a License Fee be less than the Baseline Product Package fee set forth below. The License Fees in respect of each Baseline Product Package are as follows:

- (i) B [* * * *] per month per Licensed User.
- (ii) E: [* * * *] per month per Licensed User.
- (iii) A [* * * *] per month per Licensed User.
- (iv) IS: [* * * *] per month per Licensed User.
- (v) BridgeStation Plus, TelerateStation Plus: [* * * *] per month per Licensed User.
- (vi) Notwithstanding the foregoing the License Fees will be discounted as follows: [* * * * * * * * * *]

(B) Moneyline shall pay the following license fees in relation to Activel, Version 7.1 for the Telerate Business and Bridge Europe and Asia:

- (i) Exclusively Telerate Feed – [* * * * *]
- (ii) Multiple Data Sources – [* * * * *]

(C) Moneyline shall pay the following license fees in relation to Athena, Athena Expert, EJV, and IOE as it relates to Bridge Europe and Asia:

- (i) Athena – [* * * *] per month per Licensed User.
- (ii) Athena Expert – [* * * *] per month per Licensed User.
- (iii) EJV – [* * * *] per month per Licensed User.
- (iv) IOE – [* * * *] per month per Licensed User.

provided, however, that such license fees shall be subject to the following reductions: [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

(D) Moneyline shall pay the following license fees as follows in relation to Athena, Athena Expert, EJV and IOE for the Telerate Business:

(i) Athena – [* * * *] per month per Licensed User.

(ii) Athena Expert – [* * * *] per month per Licensed User.

(iii) EJV – [* * * *] per month per Licensed User.

(iv) IOE – [* * * *] per month per Licensed User.

Provided, however, that such license fees shall be subject to the following reductions: [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

[* * * * *] [* * * * *] [* * * * *]

(E) For the avoidance of doubt, the reductions set forth in (C) and (D) above (i) shall only apply to Athena, EJV and IOE and (ii) are specific to Telerate Licensed Users and Bridge Europe and Asia Licensed Users, respectively, as set forth in such Sections and can only be applied to Telerate Licensed Users and Bridge Europe and Asia Licensed Users, respectively, as specifically set forth in such sections. The reductions in (C) and (D) above apply only to Bridge Europe and

Asia Licensed Users and Telerate Licensed Users of Athena, EJV and IOE authorized as of the Moneyline Closing Date and shall not apply to such Bridge Europe and Asia Licensed Users and Telerate Licensed Users of Athena, EJV and IOE that were authorized after the Moneyline Closing Date.

(F) [THIS SECTION INTENTIONALLY LEFT BLANK]

(G) Payment. Moneyline shall submit the reports prepared by it as described in Section 6 for the forthcoming month to Reuters and Reuters shall invoice Moneyline for the License Fees set forth in this Section 5 based on such reports. Moneyline shall remit payment to Reuters no later than thirty (30) days after the date of the invoice.

6. Reporting Requirements for Licenses.

(A) Moneyline shall provide a monthly report that includes the number of Licensed Users, in an itemized manner, for each product or service with respect to which License Fees are being paid as set forth in Section 5(A). Such Licensed Users shall be categorized according to the applicable Baseline Product Package.

(B) Moneyline shall provide a monthly report for Active 1, Version 7.1, in conformance with Section 5 (B) above, which in an itemized manner for each of the following provides Reuters with either the total number of Licensed Users or the total amounts payable by Licensed Users to Moneyline or any members of the Moneyline Group or any Permitted Distributor, based on which metric results in greater licensing fees:

(i) Exclusively Telerate Feed; and

(ii) Multiple Data Sources.

(C) Moneyline shall provide a monthly report that includes the number of Licensed Users, in an itemized manner, entitled to access each of the following at any time during the month being reported, that were first entitled to access each of the following on or prior to the Moneyline Closing Date.

(i) Athena;

(ii) Athena Expert;

(iii) EJV; and

(iv) IOE.

(D) Moneyline shall also provide a monthly report that includes the number of Licensed Users, in an itemized manner, entitled to access each of the following at any time during the month being reported, that were first entitled to access each of the following after the Moneyline Closing Date.

- (i) Athena;
- (ii) Athena Expert;
- (iii) EJV; and
- (iv) IOE.

- (E) Moneyline shall also provide a monthly report that includes the number of Licensed Users, in an itemized manner, entitled to access other Add-On Software at any time during the month being reported.
- (F) Each of the reports required by this Section shall include the required information with respect to the forthcoming month's customer licensing activities and shall be on a form substantially similar to Exhibit E. Such reports shall be provided in accordance with Section 5(G) of this Schedule.
- (G) Moneyline shall incorporate into the reports set forth above summary information with respect to the number of authorized Licensed Users for which License Fees are payable as set forth in Section 5(A) based on information in honesty statements, DADs or other usage statements or other reports obtained from Licensed Users, customers or Permitted Distributors. At a minimum, such summary shall contain the information set forth on Exhibit E.

7. Cost Methodology for Transitional Employees.

- (A) Moneyline shall pay to Reuters the amounts for Transitional Employees pursuant to Article V of the Agreement.
- (B) **Invoicing and Payment.** Reuters shall invoice Moneyline on the first day of each month in advance for Transitional Employee costs. Moneyline shall remit payment for such Transitional Employee costs no later than thirty (30) days after the date of the invoice.

8. Cost Methodology for Communication Costs.

- (A) **North American Multicast Costs.** Reuters will pay the Network Provider for one-hundred percent (100%) of Communication Costs of delivery by the Network Provider of both real time and historical data from Ticker Plants to Replicators, including co-location costs, imposed by the Network Provider for any Replicators servicing Moneyline clients in North America (the "**North American Multicast Costs**"), and Moneyline shall pay to Reuters a proportion of the North American Multicast Costs based on the North American Moneyline Allocation plus a mark-up of [* * * *].
- (B) **Shared Sites.** Reuters will pay the Network Provider for one-hundred percent (100%) of the Communications Costs associated with the delivery of data from

the Ticker Plant to any Shared Sites in North America and Moneyline shall pay to Reuters fifty percent (50%) of such costs.

- (C) **Office Automation Network Charges.** Reuters will pay the Network Provider for one-hundred percent (100%) of the reasonable costs associated with the Reuters Office Automation Network and Moneyline shall pay to Reuters a proportion of the Office Automation Network Charges based on the Moneyline Allocation plus a mark-up of [* * * *].
- (D) **Migration.** In the event Reuters migrates to another Network Provider and Moneyline does not migrate to another Network Provider, each party shall bear its own cost for segmenting Shared Sites, including those costs associated with acquiring and installing CPE.
- (E) For the avoidance of doubt, it is understood that Moneyline will be responsible for all Network Provider charges directly related to the collection of Moneyline Exclusive Content and the delivery of any such content in North America from Replicators to Moneyline Clients and outside of North America from the Ticker Plant to Moneyline Clients.
- (F) **Invoicing and Payment.** Reuters shall invoice Moneyline monthly for the current month's Communication Costs and Moneyline shall remit payment for such Communication Costs no later than thirty (30) days after the date of the invoice.

9. [THIS SECTION INTENTIONALLY LEFT BLANK]

10. Extraordinary Costs.

- (A) Moneyline shall pay one-hundred percent (100%) of any Extraordinary Costs incurred by Reuters or any member of the Reuters Group that are reasonably necessary to provide the Reuters Transitional Services; provided, however, that any Extraordinary Costs in excess of [* * * *] for any month shall be subject to Moneyline's prior written approval.
- (B) **Invoicing and Payment.** Reuters shall invoice Moneyline monthly in arrears for Extraordinary Costs. Moneyline shall remit payment to Reuters no later than thirty (30) days after the date of the invoice.

11. Cost Methodology for Facilities Costs.

- (A) For the Equipment Locations set forth in the Facilities Schedule, Moneyline shall pay [* * * *] per rack per month for all Equipment Locations outside of St. Louis and [* * * *] for the Equipment Locations in St. Louis.
- (B) **Invoicing and Payment.** Reuters shall invoice Moneyline monthly in advance for the Equipment Location Costs and Moneyline shall remit payment for such Equipment Location Costs within thirty (30) days after the date of the invoice.

12. Cost Methodology for Help Desk Services.

- (A) For each month during the Term, all calls in excess of one hundred (100) calls initiated by any member of the Moneyline Group or their agents, in North America, in accordance with Exhibit A of Reuters Help Desk/CRMC Schedule will incur a charge of [* * * *] per call, excluding calls made to alert Reuters of data outages. The initial call to Reuters to notify Reuters of a data outage shall be free of charge; however, should the Reuters help desk receive multiple calls regarding the same data outage, each subsequent call will be charged at a rate of [* * * *] per call.
- (B) Moneyline shall pay to Reuters a proportion based on the Moneyline Allocation, of the FTE Fully Loaded Costs, plus mark-up as specified in Section 4 (A)(ii) of this Schedule, for Reuters 2nd and 3rd shift help desk; weekend coverage, content support and distribution management in accordance with the Reuters Helpdesk Schedule.
- (C) **Invoicing and Payment.** Reuters shall invoice Moneyline on the first day of each month in advance for Reuters Help Desk Services. Moneyline shall remit payment for such Reuters HelpDesk Services no later than thirty (30) days after the date of the invoice.

13. Initial Adjustment Payment.

- (A) Reuters and Moneyline have agreed that prior to the date of the execution of the Agreement, Reuters has provided to Moneyline services including the services set forth on the Reuters Terminated Services Schedule. Reuters and Moneyline have further agreed that Reuters has issued to Moneyline invoices (the "**Prior Invoices**") for services provided to Moneyline prior to the date of the execution of the Agreement. Pursuant to the terms of a Letter Agreement dated October 18, 2002 between Moneyline and Reuters, as of the date of execution of the Agreement, Moneyline shall have paid [* * * *] percent [* * * *] of the amounts specified in the Prior Invoices.
- (B) Reuters and Moneyline have further agreed that the terms of this Cost and Resource Schedule and the Agreement may differ from the commercial terms which formed the basis of the Prior Invoices. As a result, Reuters and Moneyline agree that the differing terms may require the Prior Invoices to be adjusted and reissued (the "**Revised Invoices**") such that the Revised Invoices are calculated in the same manner as if they had been issued pursuant to the Agreement. The Revised Invoices shall, among other things, reflect one hundred percent (100%) of the amounts due from Moneyline to Reuters in accordance with the terms of this Agreement and shall be based on the best information generated or determined by Reuters for the period for which the Prior invoices were issued.
- (C) Within twenty (20) Business Days of the date of execution of the Agreement, Reuters shall issue a draft of the Revised Invoices to Moneyline. Moneyline shall

have ten (10) Business Days to review and comment on the Revised Invoices. Reuters shall issue the final Revised Invoices twenty (20) Business Days after having issued the draft Revised Invoices to Moneyline.

- (D) Moneyline shall pay the Revised Invoices or Reuters shall issue a credit, as appropriate, within thirty (30) days of the date of such Revised Invoices.
- (E) Within twenty (20) Business Days of the date of execution of the Agreement, to the extent it has not already done so, Moneyline shall deliver to Reuters a comprehensive set of reports as required by Section 6 of this Cost and Resource Schedule for all Software licensed between the Moneyline Closing Date and the date of execution of the Agreement. Reuters shall invoice Moneyline for the License Fees set forth in Section 5 of this Cost and Resource Schedule based on such reports. Moneyline shall remit payment to Reuters no later than thirty (30) days after the date of the invoice.

SCHEDULE 8.01(B)

MONEYLINE COST AND RESOURCE SCHEDULE

1. **Definitions.** Capitalized terms used but otherwise defined in this Schedule have the meanings or interpretations provided in the Agreement. The parties agree that, in the event of a conflict between this Schedule and the body of the Agreement, the terms of this Schedule shall apply.
2. **Assumptions and Obligations.** In addition to any assumptions, conditions, warranties and obligations set forth in the Agreement, each of the obligations of Moneyline or the applicable member of the Moneyline Group set forth in this Schedule is conditioned on the following assumptions:
 - (A) This Schedule together with the Agreement sets forth the manner in which the payments to be made by Reuters to Moneyline and/or a member of the Moneyline Group, as applicable from time to time, for the Moneyline Transitional Services shall be calculated and invoiced.
 - (B) It is understood and agreed that Fixed Costs do not cover any Extraordinary Costs to be paid by Reuters. Reuters shall be permitted to request that Moneyline or any member of the Moneyline Group incur Extraordinary Costs; provided, however, in no event shall Moneyline or any member of the Moneyline Group be required to incur such Extraordinary Costs except as specifically provided in the Schedules.
 - (C) The amounts to be paid by Reuters pursuant to this Schedule shall be paid in accordance with Article VIII of the Agreement and pursuant to an invoice that contains at least as much detail as the sample invoice set forth on Exhibit A hereto.
 - (D) The parties acknowledge and agree this Schedule relates solely to Cost and Resource allocation and nothing in this Schedule shall augment or change any of the Services set forth in the Schedules.
3. **Allocation Methodology.** Each party shall be responsible for calculating its own User counts in accordance with the following:
 - (A) On each Recalibration Date, or if such Recalibration Date is not a Business Day, the next succeeding Business Day, Reuters and Moneyline shall each measure the number of their respective Reuters Ticker Plant Users and Moneyline Ticker Plant Users located in the Territory in accordance with Section 3 of the Reuters Cost and Resource Schedule. The following Business Day each party shall distribute to the other a summary of such measures so as to calculate Total Ticker Plant Users in

the Territory and the proportion of those that are Reuters Ticker Plant Users (such proportion, the “**Reuters EU/AP Allocation**”).

4. Cost Methodology for Moneyline Fixed Cost Services. Moneyline or a member of the Moneyline Group, as applicable, shall be responsible for the amounts set forth below which shall be invoiced to Reuters in accordance with Section 4(D) of this Schedule.

(A) Fixed Costs:

(i) **FTE Fully Loaded Costs.** Reuters shall be invoiced for all the amounts related to FTE Fully Loaded Costs multiplied by the Reuters EU/AP Allocation plus in each case a mark-up as set forth for each year below:

Year	Period	Mark-Up
First	October 18, 2001 – October 17, 2002	[* * * * *]
Second	October 18, 2002 – October 17, 2003	[* * * * *]
Third	From October 18, 2003 and thereafter	[* * * * *]

(B) Business Network. The parties understand and agree that Moneyline or a member of the Moneyline Group shall be solely responsible for the operation of its respective business and network.

(C) Recalibration. Moneyline may increase the Moneyline Transitional Services. Reuters may decrease the Moneyline Transitional Services in accordance with Section 4(C)(i). Pursuant to any such changes, Moneyline shall recalibrate the Reuters EU/AP Allocation and costs of the Moneyline Transitional Services based on internal measurements on the Recalibration Date. Any resulting changes in the payment obligations set forth herein shall become effective with the first invoice issued following the most recent Recalibration Date.

(i) It is understood and agreed that the number of FTEs providing the Services set forth in the Moneyline Help Desk/CRMC Schedule can be reduced by partial transition as agreed by the parties upon thirty (30) days notice by Reuters. Any resulting decrease in the amounts owed by Reuters shall be reflected as a credit to Reuters on the first invoice following the next Recalibration Date.

(ii) It is understood and agreed that the FTE Fully Loaded Costs shall be fixed until the next applicable Recalibration Date.

(D) Invoicing and Payment. Moneyline shall invoice Reuters on the first Business Day of each month in advance for Moneyline Transitional Services. Reuters shall remit payment for such Moneyline Transitional Services no later than thirty (30) days after the date of the invoice.

5. Cost Methodology for Communication Costs.

(A) Shared Sites. Moneyline will pay the Network Provider for one-hundred percent (100%) of the Communications Costs associated with the delivery of data from the Ticker Plant to any Shared Sites in Europe and Asia and Reuters shall pay to Moneyline fifty percent (50%) of such costs, excluding Communication Costs associated with international multicast services for which Reuters is directly paying a Network Provider.

(B) Invoicing and Payment. Moneyline shall invoice Reuters monthly for the current month's Communication Costs and Reuters shall remit payment for such Communication Costs no later than thirty (30) days after the date of the invoice.

6. Extraordinary Costs.

- (A) Reuters shall pay one-hundred percent (100%) of any Extraordinary Costs incurred by Moneyline or any member of the Moneyline Group that are reasonably necessary to provide the Moneyline Transitional Services; provided, however, that any Extraordinary Costs in excess of [* * * * *] for any month shall be subject to Reuters' prior written approval.
- (B) **Invoicing and Payment.** Moneyline shall invoice Reuters monthly in arrears for Extraordinary Costs. Reuters shall remit payment to Moneyline no later than thirty (30) days after the date of the invoice.

7. Initial Adjustment Payment

- (A) It is acknowledged and agreed that for the period from the Moneyline Closing Date to the date of the execution of the agreement Moneyline provided Reuters with Moneyline Transitional Services.
- (B) Within twenty (20) Business Days of the date of the execution of the Agreement, Moneyline shall issue a draft invoice reflecting all charges for Moneyline Transitional Services provided to Reuters between the Moneyline Closing Date and the date of execution of the agreement, which invoice shall be calculated in the same manner as if it had been issued pursuant to the Agreement (the "**Initial Moneyline Invoice**"). Reuters shall have twenty-five (25) Business Days to review and comment on the Initial Moneyline Invoice. Moneyline shall issue the final Initial Moneyline Invoice thirty (30) Business Days after having issued the draft Initial Moneyline Invoice to Reuters.
- (C) Reuters shall pay the Initial Moneyline Invoice within thirty (30) days of the date of such final Initial Moneyline Invoice.

Dated 11th October, 2002

REUTERS GROUP PLC

as Issuer

DEED OF COVENANT

relating to a £1,500,000,000
Euro-commercial paper programme

ALLEN & OVERY

London

THIS DEED OF COVENANT is made on 11th October, 2002

BY

(1) **REUTERS GROUP PLC** in its capacity as issuer (the "**Issuer**");

IN FAVOUR OF

(2) **THE RELEVANT ACCOUNTHOLDERS** (as defined below).

WHEREAS

- (A) The Issuer has entered into an amended and restated dealer agreement dated 11th October, 2002 (as amended or supplemented from time to time, the "**Dealer Agreement**"), under which it may, from time to time, issue Euro-commercial paper, which amends and restates the dealer agreement entered into by the Issuer dated 31st March, 1998 (the "**Principal Dealer Agreement**"). Each issue of Notes (as defined below) may be represented initially by a global note (each a "**Global Note**") which will be exchangeable for notes in definitive form ("**Definitive Notes**") in the circumstances specified in the relevant Global Note.
- (B) Each Global Note will be delivered to a depository or a common depository for, Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other agreed clearing system (together with Euroclear and Clearstream, Luxembourg, the "**Clearing Systems**" and each a "**Clearing System**").
- (C) The Issuer wishes to make arrangements for the protection of the interests of Relevant Accountholders in the event that the relevant Global Note becomes void in accordance with its terms.

THIS DEED OF COVENANT WITNESSES as follows:

1. INTERPRETATION

1.1 In this Deed:

"**Accountholder**" means a holder of a securities account, except for a Clearing System to the extent that any securities, or rights in respect of securities, credited to such Clearing System's securities account are held by such Clearing System for the account or benefit of a holder of a securities account with that Clearing System;

"**Acquisition Time**" means, in relation to any Original Accountholder's Entry, the Relevant Date and, in relation to any Subsequent Accountholder's Entry, its Transfer Time;

An Entry "**corresponds**" with another Entry if (i) both Entries relate to the same Global Note, (ii) one of those Entries has been debited from the securities account of an Accountholder in connection with, and substantially at the same time as, the credit of the other Entry to the securities account of another Accountholder and (iii) the purpose of debiting the first Entry and crediting the second Entry was to transfer all rights relating to the debited entry from the Accountholder to whose

securities account it was debited to the other Accountholder to whose securities account the other Entry has been credited; and one Entry "**corresponds**" with another Entry if they both correspond with a third Entry;

"**Direct Rights**" means the rights referred to in Clause 2.1;

"**Entry**" means any entry which is made in the securities account of an Accountholder with a Clearing System in respect of Notes represented by the relevant Global Note;

"**Note**" means any promissory note from time to time issued by the Issuer in accordance with the provisions of an amended and restated note agency agreement, dated the date hereof, between the Issuer, Citibank, N.A. as issue agent (in such capacity and together with any successor issue agent, the "**Issue Agent**") and principal paying agent (in such capacity and together with any successor principal paying agent, the "**Principal Paying Agent**") and the agents named therein, as such agreement may be amended or supplemented from time to time;

"**Original Accountholder**" means an Accountholder who has one or more Entries credited to his securities account on the Relevant Date;

"**Principal Amount**" means, in respect of any Entry, the aggregate principal amount of the Notes to which such Entry relates;

"**Relevant Accountholder**" means an Original Accountholder or a Subsequent Accountholder, as the case may be;

"**Relevant Date**" means the date on which the relevant Global Note becomes void in accordance with its terms;

"**Subsequent Accountholder**" means an Accountholder who has had an Entry credited to his securities account in connection with the debit of a corresponding Entry in respect of which Direct Rights have arisen from the securities account of another Accountholder (a "**Previous Accountholder**"); and

"**Transfer Time**" means, in relation to any Subsequent Accountholder's Entry, the time at which such Entry is credited to his securities account.

1.2 Any reference in this Deed to a Clause is, unless otherwise stated, to a clause hereof.

1.3 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed.

2. DIRECT RIGHTS

2.1 Each Relevant Accountholder shall at the Acquisition Time for each of such Relevant Accountholder's Entries acquire against the Issuer all rights ("**Direct Rights**") which it would have had if, immediately before each such Acquisition Time, it had been the holder of Definitive Notes, duly executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Relevant Accountholder's entries including (without limitation) the right to receive all payments due at any time in respect of such Definitive Notes as if such Definitive Notes had been duly presented and (in the case of final redemption of a Definitive Note) surrendered on the due date in accordance with the terms of such Note.

-
- 2.2 No further action shall be required on the part of the Issuer or any other person for the Relevant Accountholders to enjoy the Direct Rights provided that nothing herein shall entitle any Relevant Accountholder to receive any payment in respect of the relevant Global Note which has already been made.
- 2.3 There shall be treated as incorporated into this Deed and with respect to the Direct Rights and any sums payable in relation thereto, all those provisions of the Notes represented by the relevant Global Note (immediately before it became void) relating to the amount of any sum payable by the Issuer or the time and manner in which any such amount should be paid (including, without limitation, any grossing-up provision in any Global Note) but as if references in such provisions to (i) any Note or to any principal of, or other amount payable on, any Note were references to the Direct Rights or to sums payable with respect to the Direct Rights and (ii) any holder of any Note were references to the applicable Relevant Accountholder.
- 2.4 The Direct Rights of each Previous Accountholder in relation to any Entry shall terminate when the Subsequent Accountholder to whose securities account a corresponding Entry has been credited acquires Direct Rights in relation to such Entry in accordance with Clause 2.1.

3. EVIDENCE

- 3.1 The records of the relevant Clearing System shall be conclusive as to the identity of the Relevant Accountholders and the respective amounts credited to their Securities Accounts and a certificate issued by a Clearing System setting out:
- (a) the name of the Relevant Accountholder in respect of which it is issued;
 - (b) the Acquisition Time in relation to each Entry; and
 - (c) the Principal Amount of any Entry credited to the securities account of such Relevant Accountholder with such Clearing System on any date, shall, in the absence of manifest error, be conclusive evidence for all purposes of this Deed.
- 3.2 If a Clearing System determines the Relevant Date, such determination shall be binding on all Relevant Accountholders with such Clearing System.

4. DEPOSIT OF DEED

This Deed shall be deposited with and held by the Principal Paying Agent until the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under this Deed) have been discharged in full. The Issuer hereby acknowledges the right of every Relevant Accountholder to the production of this Deed.

5. COVENANTS

The Issuer hereby warrants, represents and covenants with each Relevant Accountholder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Deed, and that this Deed constitutes a legal, valid and binding obligation enforceable in accordance with its terms.

6. STAMP DUTIES

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Deed, and shall indemnify each Relevant Accountholder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it may incur as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. BENEFIT OF DEED

- 7.1 This Deed shall take effect as a deed poll for the benefit of the Relevant Accountholders from time to time.
- 7.2 This Deed shall enure to the benefit of each Relevant Accountholder and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed against the Issuer.
- 7.3 The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Relevant Accountholder shall be entitled to assign all or any of its rights and benefits hereunder.

8. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. NOTICES

- 9.1 All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent to the Issuer at:

Reuters Group PLC
85 Fleet Street
London EC4M 4AJ

Fax: +44 20 7542 5404

Attention: Group Treasurer

or to such other address or fax number or for the attention of such other person or department as the Issuer has notified to the Accountholders.

- 9.2 Any communication sent in accordance with Clause 9.1 shall be effective upon receipt by the Issuer provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Issuer.
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10. GOVERNING LAW

This Deed is governed by, and shall be construed in accordance with, English law.

IN WITNESS whereof this Deed of Covenant has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed
by **REUTERS GROUP PLC**

By: Director **D J GRIGSON**

Director/Secretary **R E S MARTIN**

ICM:597671.6

Dated 11th October, 2002

REUTERS GROUP PLC

as Issuer

CITIBANK, N.A.

as Issue Agent and Principal Paying Agent

- and -

DEXIA BANQUE INTERNATIONALE A LUXEMBOURG S.A.

as Paying Agent

NOTE AGENCY AGREEMENT

(amended and restated)

relating to a £1,500,000,000

Euro-commercial paper programme

ALLEN & OVERY

London

INDEX

Clause	Page
1. Interpretation	1
2. Appointments	2
3. Issue of Notes	3
4. Payment	5
5. Cancellation, destruction records and custody	6
6. Fees and expenses	7
7. Indemnity	7
8. Agents of the Issuer	7
9. General	8
10. Changes in Agents	8
11. Agents as holders of Notes	8
12. Notices	8
13. Governing Law	9
14. Modification	9
15. Counterparts	9
16. Contracts (Rights of Third Parties) Act 1999	9
Schedule	10
1. Forms of Notes	
Signatories	29

THIS AGREEMENT is made on 11th October, 2002

BETWEEN:

- (1) REUTERS GROUP PLC in its capacity as issuer (the “**Issuer**”);
- (2) CITIBANK, N.A. at 5 Carmelite Street, London EC4Y 0PA in its capacity as issue agent, (the “**Issue Agent**”) and its capacity as principal paying agent, (the “**Principal Paying Agent**”); and
- (3) DEXIA BANQUE INTERNATIONALE A LUXEMBOURG S.A. at 69, route d’Esch, L-2953 Luxembourg in its capacity as paying agent (together with the Principal Paying Agent, the “**Paying Agents**”).

WHEREAS:

- (A) Pursuant to, and subject to the terms and conditions of, an amended and restated dealer agreement dated 11th October, 2002 between the Issuer, the Arranger referred to therein and the dealers from time to time party thereto (together, the “**Dealers**” and each, a “**Dealer**”) (such agreement as amended or supplemented from time to time herein being referred to as the “**Dealer Agreement**”) the Issuer may from time to time issue Notes (as defined below).
- (B) The Issuer entered into a Note Agency Agreement (the “**Original Agency Agreement**”) dated 31st March 1998 made between the Issuer and the Paying Agents named therein in respect of a £1,500,000,000 Euro-commercial paper programme (the “**Programme**”) of the Issuer.
- (C) This Agreement amends and restates the Original Agency Agreement. Any Notes issued under the Programme on or after the date hereof shall have the benefit of this Agreement. This does not affect any Notes issued under the Programme prior to the date of this Agreement.
- (D) The parties hereto wish to record the arrangements agreed between them in relation to the Notes to be issued pursuant to this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement:

“**Business Day**”, except to the extent that the context requires otherwise, means a day (other than a Saturday or Sunday):

- (a) on which commercial banks and foreign exchange markets settle payments and are open for business in London and (if applicable), if a payment is to be made on that day under this Agreement or any of the Notes, in the place of payment;
 - (b) on which the relevant Clearing System(s) are in operation; and
 - (c) which is (in the case of euro Notes) a TARGET Business Day, or (in the case of Notes denominated in any other currency), a day upon which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of that currency;
-

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme;

“**Clearing System**” means Euroclear, Clearstream and any other agreed clearing system;

“**Common Depositary**” means Citibank, N.A. acting as a depositary common to Euroclear and Clearstream or as the depositary to any other Clearing System at such offices in London as shall be notified by it to the Issue Agent from time to time;

“**Euroclear**” means Euroclear Bank S.A./N.V. as operator of the Euroclear system;

“**Maximum Amount**” means £1,500,000,000 or the equivalent amount denominated in any currency other than Sterling, as may be increased from time to time pursuant to the Dealer Agreement; and

“**TARGET Business Day**” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the “**TARGET System**”), or any successor thereto, is open.

1.2 Terms defined in the Dealer Agreement shall have the same meanings herein.

1.3 References in this Agreement to the principal amount of any Note shall be deemed to include any additional amounts which may become payable in respect thereof pursuant to the terms of such Note.

1.4 Any reference in this Agreement to a Clause or a Schedule is, unless otherwise stated, to a clause hereof or a schedule hereto.

1.5 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

2. APPOINTMENTS

2.1 The Issuer hereby appoints Citibank, N.A. at its specified office in London as Issue Agent for the Notes.

2.2 The Issuer hereby appoints Citibank, N.A. at its specified office in London as Principal Paying Agent and Dexia Banque Internationale à Luxembourg S.A. at its specified office in Luxembourg as paying agent for the Notes.

2.3 The Principal Paying Agent will, if requested, act as calculation agent for Index Linked Notes, as contemplated in the Dealer Agreement.

2.4 The Paying Agents and the Issue Agent are hereinafter together referred to as the “**Agents**”. Any reference herein to an “**Agent**” or its “**specified office**” shall be deemed to include such other agent or office of the Agent (as the case may be) as may be appointed or specified from time to time hereunder.

2.5 The obligations of the Agents are several and not joint.

3. ISSUE OF NOTES

- 3.1 Each Note issued hereunder shall be substantially in the relevant form scheduled hereto or, as the case may be, such other form as may be agreed between the Issuer and the Issue Agent from time to time and shall be duly executed either manually or in facsimile on behalf of the Issuer and authenticated by an authorised signatory or signatories of the Issue Agent. The Issuer shall procure that a sufficient quantity of executed but unauthenticated blank Notes is at all times available to the Issue Agent for the purpose of issue under this Agreement.
- 3.2 The Issuer shall give to the Issue Agent by fax or telex or by any other electronic confirmation system as agreed by the parties from time to time (which may include any Citibank software system) details of any Notes to be issued by it under this Agreement and all such other information as the Issue Agent may require for it to carry out its functions as contemplated by this clause, by not later than:
- (a) 12.30 p.m. (London time) on the proposed issue date (in the case of Sterling Notes); or
 - (b) 11.00 a.m. (London time) on the proposed issue date (in the case of euro denominated Notes or US dollar denominated Notes); or
 - (c) in any other case, 3.00 p.m. (London time) two Business Days prior to the proposed issue date,
- (or such later time or date as may be agreed between the Issuer and the Issue Agent) in respect thereof and the Issue Agent shall thereupon be authorised to complete Notes of the appropriate aggregate principal or nominal amount and/or (as the case may be) a Global Note by inserting in the appropriate place on the face of each Note *inter alia* the dates on which such Note shall be issued and shall mature and otherwise completing the same. For the purposes of this Clause 3.2, the Issue Agent may, if it considers it appropriate in the circumstances, treat a telephone communication from a person whom such Agent reasonably believes to have been duly authorised by the Issuer as sufficient instructions and authority from the Issuer to act in accordance with the provisions of this Clause 3.2, and the Issuer shall confirm such communication in writing no later than the relevant time referred to above.
- 3.3 If any such Notes as are mentioned in Clause 3.2 are not to be issued on any issue date, the Issuer shall immediately notify the Issue Agent. Upon receipt of such notice the Issue Agent shall not thereafter issue or release the relevant Notes, but shall cancel and destroy them.
- 3.4 The Issue Agent shall, upon notification by fax or telex or by any other electronic confirmation system as agreed by the parties from time to time (which may include any Citibank software system) from the Dealer who has arranged to purchase Notes from the Issuer, such notification to be received in sufficient time to enable delivery to be made as contemplated herein and in any event no later than:
- (a) 12.30 p.m. (London time) on the proposed issue date (in the case of Sterling Notes); or
 - (b) 11.00 a.m. (London time) on the proposed issue date (in the case of a Global Note denominated in euro or US dollars); or
 - (c) in any other case, 3.00 p.m. (London time) two Business Days prior to the proposed issue date,
-

or such later time or date as may be agreed between the Issue Agent and the relevant Dealer, that payment by it to the Issuer of the purchase price of any Note has been or will be duly made against delivery of such Notes and (if applicable) of details of the securities account hereinafter referred to:

- (i) if such Note is a Sterling Definitive Note, make the same available on its issue date for collection at its specified office in London; or
- (ii) if such Note is a Global Note denominated in euro, Sterling or US dollars, deliver such Note on its issue date to the Common Depositary; or
- (iii) if such Note is a Global Note denominated in any currency other than euro, Sterling or US dollars, deliver such Note on the business day immediately preceding its issue date to the Common Depositary.

- 3.5 The Issue Agent shall (if applicable) give instructions to the relevant Clearing System(s) to credit the Notes to the Issue Agent's distribution account. Each Note credited to the Issue Agent's distribution account with a relevant Clearing System following the delivery of the Notes in accordance with Clause 3.4 above shall be held to the order of the Issuer pending delivery to the relevant Dealer on a delivery against payment basis in accordance with the normal procedures of the relevant Clearing System. The Issue Agent shall on the issue date and against receipt of funds from the relevant Dealer transfer the proceeds of issue to the Issuer to the relevant account notified in accordance with Clause 3.2 above.
- 3.6 If on the issue date the relevant Dealer does not pay the subscription price due from it in respect of any Note (the "**Defaulted Note**") and as a result the Defaulted Note remains in the Issue Agent's distribution account with the relevant Clearing System after the issue date (rather than being credited to the Dealer's Account against payment), the Issue Agent will continue to hold the Defaulted Note to the order of the Issuer.
- 3.7 If the Issue Agent pays an amount (the "**Advance**") to the Issuer on the basis that a payment (the "**Payment**") has been, or will be, received from the relevant Dealer and if the Payment has not been or is not received by the Issue Agent on the date the Issue Agent pays the Issuer, the Issue Agent shall promptly inform the relevant Dealer and request that Dealer to make good the Payment, failing which the Issuer shall, upon being requested to do so, repay to the Issue Agent the Advance and pay interest (on the basis of the aggregate of one per cent. per annum and the cost of funding) on the Advance until the earlier of repayment in full of the Advance and receipt in full by the Issue Agent of the Payment.
- 3.8 As soon as practicable after the date of issue of any Notes, the Issue Agent shall deliver to the Issuer and the Principal Paying Agent (who shall thereupon give details to the other Paying Agents) particulars of: (a) the number and aggregate principal amount of the Notes completed, authenticated and delivered by it, or made available by it for collection, on such date; (b) the issue date and the maturity date of such Notes; and (c) the series and serial numbers of all such Notes.
- 3.9 The Issuer hereby authorises and instructs the Issue Agent to make all necessary notifications with any relevant central bank or regulatory authority.
- 3.10 The Issuer hereby authorises and instructs the Issue Agent to complete, authenticate and deliver on its behalf Definitive Notes in accordance with the terms of any Global Note presented to the Issue Agent for exchange in whole (but not in part) only.
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3.11 The Issuer will give at least 10 days prior written notice to the Issue Agent of a change in the Maximum Amount of Notes which may be issued under the Dealer Agreement.

3.12 The Issuer will promptly notify the Issue Agent of the appointment, resignation or termination of the appointment of any Dealer.

4. PAYMENT

4.1 The Issuer undertakes in respect of each Note issued by it to pay, in the currency in which such Note is denominated, on the maturity date or any relevant interest payment date of each Note, an amount sufficient to pay the full amount payable on such date by way of principal, interest or otherwise in respect thereof:

- (a) in the case of Sterling Notes, by transfer of same day value Sterling funds to such account of the Principal Paying Agent at such bank in London as the Principal Paying Agent may from time to time designate for the purpose;
- (b) in the case of Dollar Notes, by transfer of same day value Dollar funds to such account of the Principal Paying Agent at such bank in New York City as the Principal Paying Agent may from time to time designate for the purpose;
- (c) in the case of euro Notes, by transfer of same day value euro funds settled through the TARGET system to such account of the Principal Paying Agent as the Principal Paying Agent may from time to time designate for the purpose; and
- (d) in the case of Notes denominated in any other currency, by transfer of immediately available and freely transferable funds in such other currency to such account of the Principal Paying Agent at such bank in the principal financial centre for such other currency as the Principal Paying Agent may from time to time designate for the purpose.

4.2 The Issuer shall, prior to 12 noon (London time) on the second Business Day immediately preceding the maturity date or any relevant interest payment date of any Note issued by it (or such later time or date as may subsequently be agreed between the Issuer and the Principal Paying Agent), send to the Principal Paying Agent irrevocable confirmation that payment will be made and the details of the bank through which the Issuer is to make the payment due pursuant to this Clause.

4.3 The Issuer hereby authorises and directs the Paying Agents from funds so paid to the Principal Paying Agent to make payment of all amounts due on the Notes as set forth herein and in the Notes and authorises the Principal Paying Agent on demand to reimburse the claims of the other Paying Agents for amounts paid by them.

4.4 The Principal Paying Agent will forthwith notify the other Paying Agents and the Issuer by telex if it has not by 12 noon (London time) on the relevant Business Day received the confirmation and details referred to in Clause 4.2, and in such event no Paying Agent shall be bound to make payment in respect of the Notes as aforesaid. In the absence of such notification by the Principal Paying Agent as provided above, the Paying Agents shall be entitled:

- (a) to pay maturing Notes due on their maturity and/or relevant interest payment date in accordance with their terms; and
 - (b) (if applicable) to claim any amounts so paid by it from the Principal Paying Agent.
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- 4.5 If the Principal Paying Agent has not received on the maturity date or any relevant interest payment date of any Notes the full amount payable in respect thereof on such date and confirmation satisfactory to itself that such payment has been received, no Paying Agent shall be required to make payment of any amount due on any Note. Nevertheless, subject to the foregoing, if the Principal Paying Agent is satisfied that it will receive such full amount later, it shall be entitled to pay maturing Notes due in accordance with their terms. In addition, it shall forthwith so notify the other Paying Agents, who will as paying agents of the Issuer pay on behalf of the Issuer on and after each due date for payment the amount due to be paid on surrender of the Notes in accordance with their terms.
 - 4.6 If a Paying Agent makes such payment on behalf of the Issuer under Clause 4.5, the Issuer shall be liable on demand by the Paying Agent to pay to the Paying Agent the amount so paid out, together with interest thereon at such a rate as the Paying Agent may certify as the aggregate of one per cent. per annum and the cost of funding any such payment made by it (as determined by the Paying Agent).
 - 4.7 If at any time a Paying Agent makes a partial payment in respect of any Note presented to it, it shall procure that a statement indicating the date and amount of such payment is written or stamped on the face of such Note.
 - 4.8 The Principal Paying Agent shall promptly reimburse the other Paying Agents for payments in respect of the Notes properly made by any of them in accordance with this Agreement and the Notes.
- 5. CANCELLATION, DESTRUCTION RECORDS AND CUSTODY**
- 5.1 All Notes which mature and are paid in full shall be cancelled forthwith by the Paying Agent through which they are paid. Each Paying Agent shall as soon as practicable give all relevant details and forward the cancelled Notes to the Principal Paying Agent. The Principal Paying Agent shall, unless the Issuer otherwise directs, destroy the cancelled Notes and, as soon as reasonably practicable after each maturity date, furnish the Issuer with particulars of the aggregate principal amount of the Notes maturing on such maturity date which have been destroyed since the last certification so furnished and the series and serial numbers of all such Notes.
 - 5.2 The Principal Paying Agent shall keep and make available at all reasonable times to the Issuer a full and complete record of all Notes and of their issue, payment, cancellation and destruction and, in the case of Global Notes, their exchange for Definitive Notes.
 - 5.3 The Issue Agent shall maintain in safe custody all forms of Notes delivered to and held by it hereunder and shall ensure that the same are only completed, authenticated and delivered or made available in accordance with the terms hereof.
 - 5.4 The Issuer may from time to time with the approval, where appropriate, of the Issue Agent make arrangements as to the replacement of Notes which shall have been lost, stolen, mutilated, defaced or destroyed, including (without limitation) arrangements as to evidence of title, costs, delivery and indemnity.
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5.5 The Principal Paying Agent shall make available for inspection during its office hours at its specified office copies of this Agreement and the Deed of Covenant.

6. FEES AND EXPENSES

6.1 The Issuer undertakes to pay such fees and expenses in respect of the Agents' services under this Agreement as are set out in a letter of even date herewith from the Principal Paying Agent to, and countersigned by, the Issuer at the time and in accordance with the manner stated therein.

6.2 The Issuer undertakes to pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) except those arising solely as a result of the Agent's default to which this Agreement or the issue of any Notes may be subject.

6.3 The Issuer undertakes to pay on demand all reasonable out-of-pocket expenses (including legal, advertising, telex and postage expenses) properly incurred by any of the Agents in connection with their services under this Agreement.

7. INDEMNITY

7.1 The Issuer undertakes to indemnify and hold harmless each of the Agents on demand by such Agent against any losses, liabilities, costs, expenses, claims, actions or demands which such Agent may incur or which may be made against such Agent, as a result of or in connection with the appointment or the exercise of the powers, discretions, authorities and duties of such Agent under this Agreement except such as may result from its own negligence or bad faith or that of its officers, employees or agents. The indemnity contained in this Clause 7 shall survive the termination or the expiry of this Agreement.

7.2 Each Agent shall indemnify the Issuer against any losses, liabilities, costs, expenses, claims, actions or demands that the Issuer may incur or that may be made against it as a result of or in connection with such Agent's negligence, bad faith or wilful default or that of its officers, employees or agents.

8. AGENTS OF THE ISSUER

8.1 In acting hereunder and in connection with the Notes, the Agents shall act solely as bankers for and agents of the Issuer and will not thereby assume any obligations towards or relationship of agency or trust for any holders of Notes, save that all funds held by the Principal Paying Agent for payments in respect of the Notes shall be held in a separately designated account (but need not be segregated from other funds except as required by law) as set forth herein. The Principal Paying Agent shall not be under any liability for interest on any moneys at any time received by it pursuant to any of the provisions of this Agreement or of the Notes.

8.2 The Agents may accept deposits from, lend money to and generally engage in any kind of banking or other business with the Issuer notwithstanding their appointments as Agents hereunder.

8.3 No Agent shall exercise any right of set-off or lien against the Issuer or any Noteholder in respect of any moneys payable to or by it under this Agreement.

9. GENERAL

- 9.1 Prior to the first issue of the Notes, the Issuer shall supply to the Issue Agent and the Principal Paying Agent copies of all condition precedent documents required to be delivered pursuant to the Dealer Agreement.
- 9.2 Each Agent shall be obliged to perform such duties and only such duties as are herein specifically set forth, and no implied duties or obligations shall be read into this Agreement against any Agent. No Agent shall be under any obligation to take any action hereunder which it expects will result in any expense or liability of the relevant Agent, the payment of which within a reasonable time is not, in its opinion, assured to it.
- 9.3 Except as ordered by a court of competent jurisdiction or as required by law, and notwithstanding any notice to the contrary, the Issuer and each of the Agents shall be entitled to treat the holder of any Note as the absolute owner thereof for all purposes and shall not be required to obtain any proof thereof or as to the identity of the bearer or holder.
- 9.4 Each of the Agents may consult with legal and other professional advisers selected in good faith and satisfactory to it and the Issuer and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and without negligence and in accordance with the opinion of such advisers.
- 9.5 Each of the Agents shall be protected and shall incur no liability for or in respect of any action taken or thing suffered by it in relation to any issue of Notes in reliance upon any Note, notice, direction, consent, certificate, affidavit, statement, telex or other paper or document reasonably believed by it to be genuine and to have been passed or signed by the proper parties.

10. CHANGES IN AGENTS

- 10.1 Any Agent may resign its appointment hereunder at any time by giving to the Issuer, and the Issuer may terminate the appointment of any Agent by giving to such Agent, at least 45 days' written notice to that effect, provided that no such resignation or termination of the appointment of the Principal Paying Agent or the Issue Agent shall take effect until a successor has been appointed by the Issuer.
- 10.2 The Issuer agrees with each Agent that if, by the day falling 10 days before the expiry of any notice under Clause 10.1, the Issuer has not appointed a replacement Agent, then the relevant Agent shall be entitled, on behalf of the Issuer to appoint in its place any reputable financial institution of good standing and the Issuer shall not unreasonably object to such appointment.

11. AGENTS AS HOLDERS OF NOTES

Any of the Agents and their respective officers and employees, in their individual or any other capacity, may become the owner of, or acquire any interest in, any Notes with the same rights that such Agent would have if it were not one of the Agents hereunder.

12. NOTICES

- 12.1 All notices and other communications hereunder shall, save as otherwise provided in this Agreement, be made in writing and in English (by letter, telex or fax) and shall be sent to the intended recipient at the address, telex or fax number and marked for the attention of the person (if any) from time to time designated by that party to the other parties hereto for such purpose. The initial address, telex and fax number so designated by each party are set out on the signature page of this Agreement.
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12.2 Any communication from any party to any other under this Agreement shall be effective if sent by letter or fax, upon receipt by the addressee; and if sent by telex, upon receipt by the sender of the addressee's answerback at the end of transmission; provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

13. GOVERNING LAW

This Agreement and the Notes shall be governed by, and construed in accordance with, English law.

Each party which is not resident within the jurisdiction of the English courts agrees that such courts are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. These submissions are for the benefit of each of the other parties and shall not limit the right of any of them to take Proceedings against such non-resident parties in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

14. MODIFICATION

This Agreement may be amended by further agreement among the parties hereto and without the consent of holders of the Notes except where such amendment would be materially prejudicial to the existing Noteholders.

15. COUNTERPARTS

This Agreement may be signed in any number of counterparts, all of which when taken together shall constitute a single agreement.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

SCHEDULE 1**FORMS OF NOTES****Form of Multicurrency Global Note
(Interest Bearing/Discounted/Index-Linked)****REUTERS GROUP PLC**
*(incorporated with limited liability in England and Wales with company
registered number 3296375)*

THIS GLOBAL NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NEITHER THIS GLOBAL NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS GLOBAL NOTE IS BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE UPON REGULATIONS UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM IN REGULATIONS.

No.:	Series No.:
_____	_____
Issued in London on:	Maturity Date:
_____	_____
Specified Currency:	Denomination:
_____	_____
Principal Amount: ¹ <i>(words and figures if a Sterling Note)</i>	Nominal Amount: ² <i>(words and figures if a Sterling Note)</i>
_____	_____
Calculation Agent: ² <i>(Index-linked Notes)</i>	Minimum Redemption Amount: [£100,000 (one hundred thousand pounds)]
_____	_____
Fixed Interest Rate: ³	Margin: ⁴
_____	_____
Calculation Agent: ⁴ <i>(Floating Rate Notes)</i>	Reference Banks: ⁴
_____	_____
Interest Commencement Date: ⁵	Interest Payment Dates: ⁶
_____	_____

Reference Rate: LIBOR/EURIBO⁷

1 Complete for Notes other than Index-Linked Notes.

2 Complete for Index-Linked Notes only.

3 Complete for Fixed Rate Interest Bearing Notes only.

5 Complete for Interest Bearing Notes denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen only.

6 Complete for Interest Bearing Notes if interest is payable before Maturity Date.

7 Delete as appropriate. The Reference Rate should always be LIBOR unless the Note is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

1. For value received, Reuters Group PLC (the “**Issuer**”) promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date:

- (a) the above Principal Amount; or
- (b) if this Global Note is index-linked, an amount to be calculated by the Calculation Agent named above, in accordance with the redemption calculation, a copy of which is attached to this Global Note and/or is available for inspection at the office of the Principal Paying Agent referred to below,

together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an amended and restated note agency agreement (the “**Agency Agreement**”) dated 11th October, 2002 between the Issuer and Citibank, N.A., as principal paying agent and issue agent (in such capacities, the “**Principal Paying Agent**” and the “**Issue Agent**”, respectively) and Dexia Banque Internationale à Luxembourg S.A. as paying agent (together with the Principal Paying Agent, the “**Paying Agents**”), a copy of which is available for inspection at the office of the Principal Paying Agent at 5 Carmelite Street, London EC4Y 0PA, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and either surrender or endorsement, as the case may be, of this Global Note at the office of the Principal Paying Agent referred to above by transfer to an account denominated in the currency specified above maintained by the bearer in the principal financial centre in the country of that currency (or, in the case of a Global Note denominated in euro, in Brussels, Frankfurt, Paris or Luxembourg).

2. This Global Note is issued in representation of an issue of Notes in the aggregate Principal Amount or Nominal Amount specified above.

3. All payments in respect of this Global Note shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in the United Kingdom or any political subdivision or taxing authority of or in the United Kingdom (“**Taxes**”). If the Issuer or any agent thereof is required by any law or regulation of the United Kingdom to make any deduction or withholding for or on account of Taxes, the Issuer shall pay, to the extent permitted by applicable law or regulation, such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:

- (a) to the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof where such deduction or withholding is required by reason of the bearer, holder or owner having some connection with the jurisdiction imposing the Taxes other than the mere holding of and payment in respect of this Global Note;
 - (b) in respect of any deduction or withholding which would not have been required but for the presentation by the bearer of this Global Note for payment on a date more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later;
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- (c) in respect of any tax, assessment or other governmental charge that is payable otherwise than by withholding from a payment on a Note;
 - (d) by, or by a third party on behalf of, a bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof who would not be liable for or subject to the deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority;
 - (e) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform, such Directive; or
 - (f) where this Global Note is presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Global Note to another Paying Agent in a Member State of the European Union.
 4. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute a direct and unsecured obligation of the Issuer ranking pari passu with all present and future unsecured and unsubordinated indebtedness of the Issuer.
 5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof shall not be entitled to any interest or other sums in respect of such postponed payment. “**Payment Business Day**”, as used herein, shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and in the place of payment for the relevant currency and (b) either (i) if the Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency or (ii) if the Specified Currency is euro, a day which is a TARGET Business Day; and “**TARGET Business Day**” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, is open.
 6. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing hereon or notice of any previous loss or theft hereof).
 7. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date) on the tenth business day following presentation and surrender hereof during normal business hours to the Issuer at the above office of the Issue Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer). Upon such surrender, the Issue Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the relevant currency in an aggregate principal amount or nominal amount (as applicable) equal to the Principal Amount or Nominal Amount (as applicable) of this Global Note.
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8. If (a) Euroclear S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) or Clearstream Banking, société anonyme (“**Clearstream**”) or any other clearing system through which any interest in this Global Note is held are closed for a continuous period of 14 days (other than by reason of public holidays) and/or (b) default is made in the payment referred to above, the Issuer hereby undertakes that, upon presentation and surrender of this Global Note during normal business hours on or after such event to the Issuer at the above offices of the Issue Agent it will issue to the bearer duly executed and authenticated bearer Notes in the form referred to in the preceding paragraph in an aggregate Principal Amount or Nominal Amount (as applicable) equal to the Principal Amount or Nominal Amount (as applicable) of this Global Note.
 9. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive Notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a deed of covenant dated 11th October, 2002 (the “**Deed of Covenant**”), entered into by the Issuer).
 10. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Schedule hereto shall be duly completed by a Paying Agent to reflect such payment.
 11. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) as follows:
 - (a) interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Calculation Agent), 365 days at the Interest Rate specified above with the resulting figure being rounded to the nearest cent. in the case of euro and otherwise to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards or otherwise in accordance with applicable market convention); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.
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12. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Principal Amount or the Nominal Amount (as applicable) as follows:
- (A) (a) if this Global Note specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount or the Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from (and including) the Interest Commencement Date to (but excluding) the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling or if market practice so dictates (as determined by the Calculation Agent), 365 days at a rate (the “**Rate of Interest**”) determined on the following basis:
- (i) on the first day of each Interest Period (if this Global Note is denominated in Sterling) or, if this Global Note is denominated in euro, the second TARGET Business Day (as defined in paragraph 5 above) before the beginning of each Interest Period or, if this Global Note is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a “**LIBOR Interest Determination Date**”) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page “LIBOR01” on the Reuters Screen (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;
 - (ii) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks to provide its offered quotation to leading banks in the London interbank market for deposits in the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
 - (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;
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- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for one Note of each Denomination for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount or the Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, or, if market practice so dictates (as determined by the Calculation Agent) by 365 and rounding the resulting figure to the nearest cent. in the case of euro or otherwise to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (c) as used above, “**London Business Day**” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.
- (B) (a) If this Global Note specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount or the Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from (and including) the Interest Commencement Date to (but excluding) the Maturity Date only, in arrears on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the “**Rate of Interest**”) determined on the following basis:
- (i) on the second TARGET Business Day (as defined in paragraph 5 above) before the beginning of each Interest Period (each a “**EURIBOR Interest Determination Date**”) the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page “EURIBOR” on the Reuters Screen (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;
- (ii) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
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- (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;

For the purposes of this Global Note, “**euro-zone**” means the region comprised of the countries whose lawful currency is the euro;

- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for one Note of each Denomination for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount or the Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent. in the case of euro or otherwise to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (C) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (D) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
- (E) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Global Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.
13. If this Global Note is index-linked as to interest, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) by the Calculation Agent named above, in accordance with the interest calculation, a copy of which is attached to this Global Note and/or is available for inspection at the office of the Principal Paying Agent.
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14. If this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese yen:
- (a) instructions for payment must be received at the office of the Principal Paying Agent together with this Global Note at least two business days (which shall be days on which commercial banks are open for business in London and in the principal financial centre in the country of the relevant currency) prior to the relevant payment date; and
 - (b) notwithstanding the provisions of paragraphs 11, 12 and 13 above, interest (if any) will accrue from the Interest Commencement Date specified above.
15. If this Global Note is denominated in any currency other than United States dollars, Sterling or any other currency not specified in paragraph 14 above, instructions for payment must be received at the office of the Principal Paying Agent together with this Global Note at least one business day (which shall be a day on which commercial banks are open for business in London and in the principal financial centre in the country of the relevant currency) prior to the relevant payment date.
16. This Global Note shall not be validly issued unless manually authenticated by Citibank, N.A. as Issue Agent.
17. This Global Note is governed by, and shall be construed in accordance with, English law.
18. No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Global Note, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

AUTHENTICATED by
CITIBANK, N.A.
without recourse, warranty or liability
and for authentication purposes only

Signed in facsimile on behalf of
REUTERS GROUP PLC

By: _____
(Authorised Signatory)

By: _____
(Authorised Signatory)

*By: _____
(Authorised Signatory)

* Only required for Sterling issues.

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Pro-forma Redemption/Interest Calculation
(Index-Linked Global Note)**

This is the Redemption/Interest Calculation relating to the attached index-linked Global Note:

Calculation Date: _____

Calculation Agent: _____

Minimum Redemption Amount (per Note): £100,000 or equivalent (applicable only to a Note the proceeds of which are accepted by the Issuer in the United Kingdom)

Redemption/Interest Amount: to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption/interest calculation]

Confirmed:

For: **REUTERS GROUP PLC**

Note: The Calculation Agent is required to notify the Principal Paying Agent for the Notes of the Redemption/Interest Amount immediately upon completing its calculation of the same.

**Form of Multicurrency Definitive Note
(Interest Bearing/Discounted/Index-Linked)**

REUTERS GROUP PLC
*(incorporated with limited liability in England and Wales
and with company registration number 3296375)*

THIS DEFINITIVE NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NEITHER THIS DEFINITIVE NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS DEFINITIVE NOTE IS BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE UPON REGULATIONS UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM IN REGULATIONS.

No.:

Series No.:

Issued in London on:

Maturity Date:

Specified Currency:

Principal Amount:¹
*(words and figures if a Sterling Note)*Nominal Amount:²
*(words and figures if a Sterling Note)*Calculation Agent:²
*(Index-Linked Notes)*Minimum Redemption Amount: [£100,000
(one hundred thousand pounds) or equivalent]Fixed Interest Rate:³Margin:⁴Calculation Agent:⁴
*(Floating Rate Notes)*Reference Banks:⁴Interest Payment Dates:⁵Interest Commencement Date:⁶Reference Rate: LIBOR/EURIBOR⁷

1. For value received, Reuters Group PLC (the “**Issuer**”) promises to pay to the bearer of this Note on the above-mentioned Maturity Date:

- (a) the above Principal Amount; or
- (b) if this Note is index-linked, an amount to be calculated by the Calculation Agent named above, in accordance with the redemption calculation, a copy of which is attached to this Note and/or is available for inspection at the office of the Principal Paying Agent referred to below,

¹ Complete for Notes other than Index Linked Notes.

² Complete for Index Linked Notes only

³ Complete for Fixed Rate Interest Bearing Notes only.

⁴ Complete for Floating Rate Interest Bearing Notes Only.

⁵ Complete for Interest Bearing Notes if interest is payable before Maturity Date.

⁶ Complete for Interest Bearing Notes denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen only.

⁷ Delete as appropriate. The Reference Rate should always be LIBOR unless the Note is denominated in euro and the Issuer and the relevant Dealer agree EURIBOR should be used instead.

together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an amended and restated note agency agreement (the “**Agency Agreement**”) dated 11th October, 2002 between the Issuer and Citibank, N.A., as principal paying agent and issue agent (in such capacities, the “**Principal Paying Agent**” and the “**Issue Agent**”, respectively) and Dexia Banque Internationale à Luxembourg S.A., as paying agent (together with the Principal Paying Agent, the “**Paying Agents**”), a copy of which is available for inspection at the office of the Principal Paying Agent at 5, Carmelite Street, London EC4Y 0PA, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and either surrender or endorsement, as the case may be, of this Note at the office of the Principal Paying Agent referred to above by transfer to an account denominated in the currency specified above maintained by the bearer in the principal financial centre in the country of that currency (or, in the case of a Note denominated in euro, in Brussels, Frankfurt, Paris or Luxembourg).

2. All payments in respect of this Note shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed in the United Kingdom or any political subdivision or taxing authority of or in the United Kingdom (“**Taxes**”). If the Issuer or any agent thereof is required by any law or regulation of the United Kingdom to make any deduction or withholding for or on account of Taxes, the Issuer shall pay, to the extent permitted by applicable law or regulation, such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:
 - (a) to the bearer of this Note where such deduction or withholding is required by reason of the bearer having some connection with the jurisdiction imposing the Taxes other than the mere holding of and payment in respect of this Note;
 - (b) in respect of any deduction or withholding which would not have been required but for the presentation by the bearer of this Note for payment on a date more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later;
 - (c) in respect of any tax, assessment or other governmental charge that is payable otherwise than by withholding from a payment on a Note;
 - (d) by, or by a third party on behalf of, a bearer of this Note or the holder or beneficial owner of any interest herein or rights in respect hereof who would not be liable for or subject to the deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority;
 - (e) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
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- (f) where this Note is presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting this Note to another Paying Agent in a Member State of the European Union.
3. The payment obligations of the Issuer represented by this Note constitute and at all times shall constitute direct and unsecured obligations of the Issuer ranking *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer.
4. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment. “**Payment Business Day**”, as used herein, shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and in the place of payment for the relevant currency (b) either (i) if the Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the relevant Specified Currency or (ii) if the Specified Currency is euro, a day which is a TARGET Business Day; and. “**TARGET Business Day**” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System, or any successor thereto, is open.
5. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing hereon or notice of any previous loss or theft hereof).
6. If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in part (a) or (b) (as the case may be) of paragraph 1 shall be payable on such fifteenth day; and
- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by a Paying Agent to reflect such payment.
7. If this is a fixed rate interest bearing Note, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) as follows:
- (a) interest shall be payable on the Principal Amount or Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from (and including) the Issue Date to (but excluding) the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, or if market practice so dictates (as determined by the Calculation Agent), 365 days at the Interest Rate specified above with the resulting figure being rounded to the nearest cent. in the case of euro and otherwise to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards or otherwise in accordance with applicable market convention); and
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- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.
8. If this is a floating rate interest bearing Note, interest shall be calculated on the Principal Amount or the Nominal Amount (as applicable) as follows:
- (A) (a) if this Note specifies LIBOR as the Reference Rate, interest shall be payable on the Principal Amount or the Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from (and including) the Interest Commencement Date to (but excluding) the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling or if market practice so dictates (as determined by the Calculation Agent), 365 days at a rate (the “**Rate of Interest**”) determined on the following basis:
- (i) on the first day of each Interest Period (if this Note is denominated in Sterling) or, if this Note is denominated in euro, the second TARGET Business Day (as defined in paragraph 5 above) before the beginning of each Interest Period or, if this Global Note is denominated in any other currency, the second London Business Day (as defined below) before the beginning of each Interest Period (each a “**LIBOR Interest Determination Date**”) the Calculation Agent will determine the offered rate for deposits in the Specified Currency in the London interbank market for the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page “LIBOR01” on the Reuters Screen (or such other page or service as may replace it for the purpose of displaying London interbank offered rates of major banks for deposits in the Specified Currency for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;
- (ii) if on any LIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request each of the Reference Banks to provide its offered quotation to leading banks in the London interbank market for deposits in the Specified Currency for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (London time) on the LIBOR Interest Determination Date in question. The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
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- (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;
- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for one Note of each Denomination for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount or the Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, or, if market practice so dictates (as determined by the Calculation Agent) by 365 and rounding the resulting figure to the nearest cent. in the case of euro or otherwise to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (c) as used above, “**London Business Day**” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.
- (B) (a) If this Global Note specifies EURIBOR as the Reference Rate, interest shall be payable on the Principal Amount or the Nominal Amount (as applicable) in respect of each successive Interest Period (as defined below) from (and including) the Interest Commencement Date to (but excluding) the Maturity Date only, in arrears on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at a rate (the “**Rate of Interest**”) determined on the following basis:
- (i) on the second TARGET Business Day (as defined in paragraph 5 above) before the beginning of each Interest Period (each a “**EURIBOR Interest Determination Date**”) the Calculation Agent will determine the European Interbank Offered Rate for deposits in euro for the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. Such offered rate will be that which appears on the display designated as page “EURIBOR” on the Reuters Screen (or such other page or service as may replace it for the purpose of displaying European Interbank Offered Rates of prime banks in the euro-zone (as defined below) for deposits in euro for a duration approximately equal to the Interest Period). The Rate of Interest for such Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) the rate which so appears, as determined by the Calculation Agent;
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- (ii) if on any EURIBOR Interest Determination Date for any reason such offered rate is unavailable, the Calculation Agent will request the principal euro-zone office of each of the Reference Banks to provide its offered quotation to leading banks in the euro-zone interbank market for deposits in euro for a duration approximately equal to the Interest Period concerned as at 11.00 a.m. (Brussels time) on the EURIBOR Interest Determination Date in question. The Rate of Interest for such EURIBOR Interest Period shall be the Margin (expressed as a percentage rate per annum) above (if a positive number) or below (if a negative number) such quotation (if only one is provided) or the arithmetic mean (rounded, if necessary, up to the nearest four decimal places) of such quotations (if two or more are so provided), as determined by the Calculation Agent; and
 - (iii) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with (i) or (ii) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which (i) or (ii) above shall have applied;

For the purposes of this Global Note, “**euro-zone**” means the region comprised of the countries whose lawful currency is the euro;

- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for one Note of each Denomination for the relevant Interest Period. The Amount of Interest shall be calculated by applying the Rate of Interest to the Principal Amount or the Nominal Amount (as applicable) of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360, and rounding the resulting figure to the nearest cent. in the case of euro or otherwise to the nearest amount of the Specified Currency which is available as legal tender in the country of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error or fraud) be final and binding upon all parties;
- (C) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
 - (D) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
 - (E) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be given as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not possible, it will be published in the *Financial Times* or in another leading London daily newspaper.
9. If this Note is index-linked as to interest, interest shall be calculated on the Principal Amount or Nominal Amount (as applicable) by the Calculation Agent named above, in accordance with the interest calculation, a copy of which is attached to this Note and/or is available for inspection at the office of the Principal Paying Agent.
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10. If this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese yen:
 - (a) instructions for payment must be received at the office of the Principal Paying Agent referred to above together with this Note at least two business days (which shall be days on which commercial banks are open for business in London and in the principal financial centre in the country of the relevant currency) prior to the relevant payment date; and
 - (b) notwithstanding the provisions of paragraphs 7, 8 and 9 above, interest (if any) will accrue from the Interest Commencement Date specified above.
 11. If this Note is denominated in any currency other than United States dollars, Sterling or any other currency specified in paragraph 10 above, instructions for payment must be received at the office of the Principal Paying Agent together with this Note at least one business day (which shall be a day on which commercial banks are open for business in London and in the principal financial centre in the country of the relevant currency) prior to the relevant payment date.
 12. This Note shall not be validly issued unless manually authenticated by Citibank, N.A. as Issue Agent.
 13. This Note is governed by, and shall be construed in accordance with, English law.
 14. No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

AUTHENTICATED by
CITIBANK, N.A.
without recourse, warranty or liability
and for authentication purposes only

Signed in facsimile on behalf of
REUTERS GROUP PLC

By: _____
(Authorised Signatory)

By: _____
(Authorised Signatory)

*By: _____
(Authorised Signatory)

* Only required for Sterling issues.

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Pro-forma Redemption/Interest Calculation
(Index-Linked Note)**

This is the Redemption/Interest Calculation relating to the attached index-linked Note:

Calculation Date: _____

Calculation Agent: _____

Minimum Redemption

Amount (per Note): £100,000 or equivalent (applicable only to a Note the proceeds of which are accepted by the Issuer in the United Kingdom)

Redemption/Interest Amount: to be calculated by the Calculation Agent as follows:

[Insert particulars of index and redemption/interest calculation]

Confirmed:

For: **REUTERS GROUP PLC**

Note: The Calculation Agent is required to notify the Principal Paying Agent for the Notes of the Redemption/Interest Amount immediately upon completing its calculation of the same.

SIGNATORIES

The Issuer

REUTERS GROUP PLC

By: **D J GRIGSON**

Address: 85 Fleet Street
London EC4P 4AJ

Telephone: +44 20 7542 4734

Facsimile: +44 20 7542 5404

Attention: Group Treasurer

The Issue Agent and Principal Paying Agent

CITIBANK, N.A.

By: **MARNE LIDSTER**

Address: 5 Carmelite Street
London EC4Y OPA

Telephone: +44 20 7500 1738

Telex No: 896581 CITIUK G

Facsimile: +44 20 7500 1482

Attention: ECP Desk

The Other Paying Agent

DEXIA BANQUE INTERNATIONALE A LUXEMBOURG S.A

By: **MARNE LIDSTER**

Address: 69, route d'Esch
L-2953 Luxembourg

Telephone: +352 45901

Telex No: 3826 BILLUX

Facsimile: +352 4590 4227

Attention: Documentation, Fiscal & Listing Agencies

Dated 11th October, 2002

REUTERS GROUP PLC

as Issuer

CITIBANK INTERNATIONAL plc

as Arranger

- and -

**BARCLAYS BANK PLC
CITIBANK INTERNATIONAL plc
CREDIT SUISSE FIRST BOSTON (EUROPE) LIMITED
DEUTSCHE BANK AG LONDON
GOLDMAN SACHS INTERNATIONAL
ING BANK N.V.
J.P. MORGAN SECURITIES LTD.
UBS AG, acting through its business group UBS WARBURG**

as Dealers

**DEALER AGREEMENT
(amended and restated)**

relating to a £1,500,000,000
Euro-commercial paper programme

ALLEN & OVERY
London

CONTENTS

Clause	Page
1. Interpretation	1
2. Issue	3
3. Representations and warranties	6
4. Covenants and agreements	8
5. Conditions precedent	10
6. Termination and Appointment	10
7. Assignment	11
8. Notices	11
9. Governing Law	11
10. Counterparts	12
11. Contracts (Rights of Third Parties) Act 1999	12
Schedules	
1. Condition Precedent Documents	13
2. Selling Restrictions	14
3. Programme Summary	16
4. Increase of Maximum Amount	19
5. Appointment of New Dealer	21
6. Form of Calculation Agency Agreement	22
Signatories	26

THIS AGREEMENT is made on 11th October, 2002.

BETWEEN:

- (1) **REUTERS GROUP PLC** in its capacity as issuer (the "**Issuer**");
- (2) **CITIBANK INTERNATIONAL plc** as arranger (the "**Arranger**"); and
- (3) **BARCLAYS BANK PLC, CITIBANK INTERNATIONAL plc, CREDIT SUISSE FIRST BOSTON (EUROPE) LIMITED, DEUTSCHE BANK AG LONDON, GOLDMAN SACHS INTERNATIONAL, ING BANK N.V., J.P. MORGAN SECURITIES LTD. and UBS AG, acting through its business group UBS WARBURG** as dealers.

WHEREAS:

- (A) The Issuer and certain dealers named herein entered into a Dealer Agreement dated 31st March, 1998 (the "**Principal Dealer Agreement**") in respect of a £1,500,000,000 Euro-commercial paper programme of the Issuer.
- (B) The DM Arranger and the DM Dealers (each as defined in the Principal Dealer Agreement) have resigned as dealers under the Programme.
- (C) This Agreement amends and restates the Principal Dealer Agreement. Any Notes issued under the Programme on or after the date hereof shall be issued pursuant to this Agreement (as amended, restated and supplemented from time to time). This does not affect any Notes issued under the Issuer's Programme prior to the date of this Agreement.
- (D) Credit Suisse First Boston (Europe) Limited, Goldman Sachs International and ING Bank N.V. were appointed as Dealers in accordance with clause 6.2 of the Principal Dealer Agreement.
- (E) UBS AG, acting through its business group UBS Warburg, is the successor legal entity to Swiss Bank Corporation.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement:

"**Agency Agreement**" means the amended and restated note agency agreement, dated the date hereof, between the Issuer, the Issue Agent and the Paying Agents specified in the Programme Summary, providing for the issue of and payment on the Notes, as such agreement may be amended or supplemented from time to time;

"**Agreements**" means this Agreement (as amended or supplemented from time to time), any agreement reached pursuant to Clause 2.1, the Deed of Covenant and the Agency Agreement;

"**Business Day**" has the meaning ascribed thereto in the Agency Agreement;

"**Dealer(s)**" means the institution or institutions specified as a Dealer in the Programme Summary together with any additional institution or institutions appointed pursuant to Clause 6.2 but excluding any institution or institutions whose appointment has been terminated pursuant to Clause 6.1;

"**Deed of Covenant**" means the deed of covenant, dated the date hereof, executed by the Issuer in respect of Global Notes issued by the Issuer pursuant to the Agency Agreement, as such deed may be amended or supplemented from time to time;

"**Definitive Note**" means a security printed Note of the Issuer in definitive form;

"**Disclosure Documents**" means, at any particular date, (a) the Information Memorandum, (b) the most recently published audited consolidated financial statements of the Issuer and any subsequent published interim financial statements of the Issuer, and (c) any other document delivered by the Issuer to the Dealers which the Issuer has expressly authorised to be distributed;

"**Dollars**" and "**U.S.\$**" denote the lawful currency of the United States of America and "**Dollar Note**" means a Note denominated in Dollars;

"**euro**" and "**€**" denote the single currency of those Member States of the European Union participating in the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended; and "**euro Note**" means a Note denominated in euro;

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended and the rules and regulations thereunder;

"**FSMA**" means the Financial Services and Markets Act 2000;

"**Global Note**" means a Note in global form, representing an issue of promissory notes of a like maturity which may be issued by the Issuer from time to time pursuant to the Agency Agreement;

"**Index Linked Note**" means a Note, the redemption or coupon amount of which is not fixed at the time of issue, but which is to be calculated in accordance with such formula or other arrangement as is agreed between the Issuer and the relevant Dealer at the time of reaching agreement under Clause 2.1;

"**Information Memorandum**" means the most recent information memorandum, as the same may be amended or supplemented from time to time, containing information about the Issuer and the Programme, the text of which has been prepared by or on behalf of the Issuer for use by the Dealers in connection with the transactions contemplated by this Agreement;

"**Issue Agent**" means Citibank, N.A. and any successor issue agent appointed in accordance with the Agency Agreement;

"**Note**" means a bearer promissory note of the Issuer issued in accordance with this Agreement, in definitive or global form, substantially in the relevant form scheduled to the Agency Agreement or such other form as may be agreed between the Issuer and the Issue Agent and, unless the context otherwise requires, includes the promissory notes represented by the Global Notes;

"**Paying Agents**" means Dexia Banque Internationale à Luxembourg S.A. and any successor or additional paying agent appointed in accordance with the Agency Agreement and includes the Principal Paying Agent;

"**Principal Paying Agent**" means Citibank, N.A., London Branch and any successor principal paying agent appointed in accordance with the Agency Agreement;

"**Programme**" means the euro-commercial paper programme established by this Agreement;

"**Programme Summary**" means the summary of the particulars of the Programme as set out in Schedule 3, as such summary may be amended or superseded from time to time;

"**relevant jurisdiction**" means any one or more of the United Kingdom and any jurisdiction from or through which any payment under or in respect of any Note or any Agreement may be made;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Sterling**" and "£" denote the lawful currency of the United Kingdom; and "**Sterling Note**" means a Note denominated in Sterling;

"**Sterling Equivalent**" means on any day on which, if applicable, the relevant foreign exchange markets are open:

- (a) in relation to any Note denominated or to be denominated in Sterling, the principal or nominal amount of such Note; and
- (b) in relation to any Note denominated or to be denominated in any other currency, the amount in Sterling which would be required to purchase the principal or nominal amount of such Note as expressed in such other currency at the spot rate of exchange for the purchase of such other currency with Sterling quoted by the Issue Agent at or about 11.00 a.m. (London time) on such day; and

"**Yen**" and "¥" denote the lawful currency of Japan; and "**Yen Note**" means a Note denominated in Yen.

1.2 Terms not expressly defined herein shall have the meanings set out in the Programme Summary.

1.3 Any reference in this Agreement to a Clause or a Schedule is, unless otherwise stated, to a clause hereof or a schedule hereto.

1.4 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

2. ISSUE

2.1 Subject to the terms hereof, the Issuer may issue and sell Notes to the Dealers from time to time at such prices and upon such terms as the Issuer and the relevant Dealer may agree, provided that the Issuer has, and shall have, no obligation to sell Notes to the Dealers, except as agreed, and each Dealer has, and shall have, no obligation to purchase Notes from the Issuer, except

as agreed. The Issuer acknowledges that the Dealers may resell Notes purchased by such Dealers. The term of each Note shall not be less than the Minimum Term nor greater than the Maximum Term specified in the Programme Summary calculated from (and including) the date of issue of such Note to (but excluding) the maturity date thereof. Definitive Notes shall be issued in the Denominations specified in the Programme Summary. Each issue of Notes having the same issue date, maturity date, currency of denomination, yield and redemption basis will be represented by a Global Note or by Definitive Notes having the aggregate principal or nominal amount of such issue as may be agreed between the Issuer and the relevant Dealer. For the purposes of calculating the Maximum Amount of Notes issued under this Agreement, the principal or nominal amount of any outstanding Note denominated in any currency other than Sterling shall be taken as the Sterling Equivalent of such principal or nominal amount as at the date of the agreement for the issue of the Note or Notes then to be issued.

- 2.2 Notwithstanding the provisions of Clause 2.1 above, the Dealers acknowledge that the Issuer may, from time to time, issue and sell Notes to third parties who are not Dealers (each a "**Third Party**"). In the event of an issue of Notes to a Third Party, the Issuer will, and will ensure that such Third Party agrees to, comply with the restrictions set out in Schedule 2 hereto.
- 2.3 If the Issuer and any Dealer shall agree on the terms of the purchase of any Note by such Dealer (including agreement with respect to the issue date, maturity date, currency, denomination, yield, redemption basis, aggregate principal or nominal amount and purchase price, and whether such Note will be a Definitive Note or a Global Note), then:
- (a) the Issuer shall instruct the Issue Agent to issue such Note and deliver it in accordance with the terms of the Agency Agreement;
 - (b) the relevant Dealer shall pay or arrange for payment of the purchase price of such Note on the date of issue:
 - (i) in the case of a Sterling Note, by transfer of freely transferable same-day value funds to such account as the Issue Agent shall have specified for this purpose;
 - (ii) in the case of a Dollar Note, by transfer of funds settled through the New York Clearing House Interbank Payments System (or such other same-day value funds as at the time shall be customary for the settlement in New York City of international banking transactions denominated in Dollars) to such account of the Issue Agent in New York City denominated in Dollars as the Issue Agent shall have specified for this purpose;
 - (iii) in the case of a euro Note, by transfer of funds settled through the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET**) System to such account of the Issue Agent denominated in euro as the Issue Agent shall have specified for this purpose; or
 - (iv) in all other cases, by transfer of freely transferable same-day value funds in the relevant currency to such account of the Issue Agent at such bank in the principal domestic financial centre for such currency as the Issue Agent shall have specified for this purpose; and
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- (c) the relevant Dealer shall notify the Issue Agent and the Issuer of the payment and delivery instructions applicable to such Note or Notes by fax or by any other electronic confirmation system as agreed by the parties from time to time (which may include any Citibank software system), such notification to be received in sufficient time and in any event no later than (i) 12.30 p.m. (London time) on the proposed issue date (in the case of Sterling Notes); or (ii) 11.00 a.m. (London time) on the proposed issue date (in the case of euro denominated Notes or US dollar denominated Notes); or (iii) in any other case, 3.00 p.m. (London time) two Business Days prior to the proposed issue date (or such later time or date as may be agreed between the Issue Agent and the relevant Dealer) to enable the Issue Agent to deliver such Note or Notes as contemplated in the Agency Agreement (or make the same available for collection) on its issue date.
- 2.4 If for any reason (including, without limitation, the failure of the relevant trade) a Note agreed to be purchased pursuant to Clause 2.1 is not to be issued, each of the Issuer and the relevant Dealer shall immediately notify the Issue Agent thereof.
- 2.5 The parties acknowledge that Notes issued under the Programme may be denominated in Sterling or, subject as provided below, in any other currency. Any agreement reached pursuant to Clause 2.1 to sell and purchase a Note denominated in a currency other than Sterling shall be conditional upon:
- (a) at the time of the agreement, it being lawful and in compliance with all requirements of any relevant central bank and any other relevant fiscal, monetary, regulatory or other authority, for deposits to be made in such currency and for such Note to be issued, offered for sale, sold and delivered;
 - (b) at the time of the agreement, such other currency being freely transferable and freely convertible into Sterling; and
 - (c) any appropriate amendments which the relevant Dealer and the Issuers shall require having been made to this Agreement and/or the Agency Agreement.
- 2.6 The Issuer may increase the Maximum Amount by giving at least ten days' notice by letter, substantially in the form set out in Schedule 4, to each of the Dealers, the Issue Agent and the Paying Agents. Such increase will not take effect until the Dealers have received from the Issuer the documents listed in such letter and in paragraphs 2, 3 and 6 of Schedule 1 (if required by the Dealers), in each case in form and substance acceptable to each Dealer.
- 2.7 (a) If Index Linked Notes are to be issued, the Issuer will appoint either the relevant Dealer or the Principal Paying Agent (subject to the consent of the relevant Dealer or the Principal Paying Agent thereto) or some other person (subject to the consent of the relevant Dealer and the Principal Paying Agent to such person's appointment) to be the calculation agent in respect of such Index Linked Notes.
- (b) If a Dealer is to be the calculation agent, its appointment as such shall be on the terms of the form of agreement set out in Schedule 6, and each Dealer will be deemed to have entered into an agreement in such form for a particular calculation if it is named as calculation agent in the redemption calculation attached to or endorsed on the relevant Note.
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- (c) If the Principal Paying Agent is to be the calculation agent, its appointment as such shall be on the terms set out in the Agency Agreement.
- (d) If the person nominated by a Dealer or by the Principal Paying Agent as calculation agent is not a Dealer or the Principal Paying Agent, that person shall execute (if it has not already done so) an agreement substantially in the form of the agreement set out in Schedule 6 and the appointment of that person shall be on the terms of that agreement.

2.8 Notes having terms not contemplated by the Information Memorandum or in a form not contemplated by this Agreement may be issued by agreement between the Issuer and the Dealers.

3. REPRESENTATIONS AND WARRANTIES

3.1 The Issuer represents and warrants to each Dealer (1) at the date of this Agreement and on each date upon which the Maximum Amount is increased, and (2) (other than in respect of Clause 3.1(g)(i)(2)) on each date upon which an agreement for the sale of Notes is made and on each date upon which Notes are, or are to be, issued and (3) in respect of Clause 3.1(g)(i)(2) only on each Anniversary, that:

- (a) each of:
 - (i) the execution, delivery and performance by the Issuer of the Agreements and the Notes;
 - (ii) the entering into and performance by the Issuer of any agreement for the sale of Notes reached pursuant to Clause 2.1; and
 - (iii) the issue and sale of the Notes by the Issuer under the Agreements,

has been duly authorised by all necessary action and the same constitute, or, in the case of Notes, will, when issued in accordance with the Agency Agreement, constitute, valid and binding obligations of the Issuer enforceable against it in accordance with their respective terms;

- (b) the obligations of the Issuer under each of the Agreements and the Notes will rank (other than in the case of obligations preferred by mandatory provisions of law) *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Issuer;
 - (c) the Issuer is duly incorporated and validly existing under the laws of England and Wales and:
 - (i) the execution, delivery and performance by the Issuer of the Agreements and the Notes;
 - (ii) the entering into and performance by the Issuer of any agreement for the sale of Notes reached pursuant to Clause 2.1; and
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(iii) the issue and sale of the Notes by the Issuer under the Agreements,

will not infringe any of the provisions of the Issuer's Memorandum and Articles of Association and will not contravene any law, regulation, order or judgment to which it or any of its assets is subject nor result in the breach of any term of, or cause a default under, any instrument to which the Issuer is a party or by which it or any of its assets may be bound;

- (d) all consents, authorisations, licences or approvals of and registrations and filings with any governmental or regulatory authority required in connection with the issue by the Issuer of Notes under the Agreements and the performance of the Issuer's obligations under the Agreements and the Notes have been obtained and are in full force and effect, and copies thereof have been supplied to the Dealer(s);
- (e) in the context of this Agreement and the transactions contemplated hereby, the Disclosure Documents as at their date do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (f) the audited financial statements of the Issuer and any interim financial statements of the Issuer (audited or unaudited) published subsequently thereto and incorporated by reference in the Information Memorandum present fairly and accurately the consolidated financial position of Issuer and its respective subsidiaries as of the respective dates of such statements and the consolidated results of operations of the Issuer and its subsidiaries for the periods they cover or to which they relate and such financial statements have been prepared in accordance with the relevant laws of England and Wales and with generally accepted accounting principles in England and Wales applied on a consistent basis throughout the periods involved (unless and to the extent otherwise stated therein);
- (g) (i) since the date of the most recent audited financial statements of the Issuer supplied to the Dealers and, in relation to any date on which this warranty falls to be made after the date hereof, save as otherwise disclosed by any Disclosure Document subsequently delivered by the Issuer to the Dealers:
- (1) there has been no adverse change in the business, financial or other condition of the Issuer and its subsidiaries taken as a whole; and
 - (2) there is no litigation, arbitration or governmental proceeding pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or its subsidiaries,
- which in any case could reasonably be expected to be material in the context of this Agreement and the transactions contemplated hereby;
- (ii) the Issuer is not in default in respect of any indebtedness for borrowed money or any obligation having a similar commercial effect;
- (h) the Issuer is not required by any law or regulation nor any relevant taxing authority in the United Kingdom to make any deduction or withholding from any payment due under the Notes, the Agency Agreement or the Deed of Covenant for or on account of any income, registration, transfer or turnover taxes, customs or other duties or taxes of any kind;
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-
- (i) outstanding principal amount of all Notes on the date of issue of any Note does not and will not exceed the Maximum Amount set out in the Programme Summary (as increased from time to time pursuant to Clause 2.6); and
 - (j) neither the Issuer nor any of its affiliates (as defined in Rule 405 under the Securities Act) nor any person acting on its or its affiliates' behalf has engaged or will engage in any "directed selling efforts" with respect to the Notes, and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act. Terms used in this sub-paragraph have the meanings given to them by Regulation S under the Securities Act.

3.2 "**Anniversary**" means (i) the day which follows three calendar months after the date of this Agreement or (ii) the day which falls three calendar months after the previous Anniversary, in each case provided that if any Anniversary is not a business day in London, the first business day in London after such Anniversary.

4. COVENANTS AND AGREEMENTS

- 4.1 The Issuer covenants and agrees that whenever the Issuer shall publish or make available to its shareholders or to the public (by filing with any regulatory authority, securities exchange or otherwise) any information which could reasonably be expected to be material in the context of this Agreement and the transactions contemplated hereby, the Issuer shall notify the Dealers as to the nature of such information, shall make such information available to the Dealers upon request to permit distribution to investors and prospective investors and shall take such action as may be necessary to ensure that the representation and warranty contained in Clause 3(e) is true and accurate on the dates contemplated by such Clause. Such notification may be by means of electronic communication, including, but not limited to, by email and/or directing the Dealers' attention to information on-line.
- 4.2 The Issuer covenants and agrees with each Dealer that if that Dealer or any of its affiliates, directors, officers or employees, or any person who controls that Dealer for the purpose of Section 15 of the Securities Act or Section 20 of the Exchange Act (each a "**Relevant Party**") incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) (a "**Loss**") as a result of, in connection with or based upon any breach or alleged breach of the representations, warranties, covenants or agreements made by the Issuer in this Agreement or any untrue statement or alleged untrue statement of any material fact contained in the Disclosure Documents or the omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer will pay to that Dealer on demand an amount equal to such Loss. No Dealer or Arranger shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause.
- 4.3 If any action, proceeding, claim or demand shall be brought or asserted against a Relevant Party in respect of which recovery may be sought from the Issuer, the relevant Dealer shall, upon becoming aware of the same, promptly notify the Issuer in writing. The Issuer may participate at its own expense in the defence of the action. If it elects within a reasonable time after receipt of the notice, the Issuer may assume the defence of the action with legal advisers chosen by it and approved by the Relevant Party defendant in the action, subject to the payment by the Issuer of all fees and expenses relating thereto, unless the Relevant Party reasonably objects to the
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assumption on the ground that there may be legal defences available to it which are different from or in addition to that available to the Issuer. If the Issuer assumes the defence of the action, the Issuer shall not be liable for any fees and expenses of the legal advisers of the Relevant Party incurred thereafter in connection with the action. In no event shall the Issuer be liable for any fees and expenses of more than one legal adviser or firm of legal advisers of the Relevant Party in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. The Issuer shall not be liable pursuant to Clause 4.2 in respect of any settlement of any such action effected without the consent of the Issuer (such consent not to be unreasonably withheld or delayed).

4.4 The Issuer will:

- (a) pay, or reimburse the Arranger for, all reasonable out-of-pocket costs and expenses (including United Kingdom value added tax and any other taxes or duties thereon and fees and disbursements of counsel to the Arranger) incurred by the Arranger in connection with the preparation, negotiation, printing, execution and delivery of this Agreement and all documents contemplated by this Agreement;
- (b) pay, or reimburse each Dealer for, all reasonable out-of-pocket costs and expenses (including United Kingdom value added tax and any other taxes or duties thereon and fees and disbursements of counsel to such Dealer) incurred by such Dealer in connection with the enforcement or protection of its rights under this Agreement and all documents contemplated by this Agreement;
- (c) pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) except those arising solely as a result of the Dealers' default which may be payable upon or in connection with the creation and issue of the Notes and the execution, delivery and performance of the Agreements; and
- (d) notify including by means of electronic communication, including, but not limited to, by email and/or by directing the Dealers' attention to information on-line, each Dealer of any change in the identity of or the offices of the Issue Agent and/or any Paying Agent and any material change or amendment to or termination of the Agency Agreement or the Deed of Covenant not later than ten days prior to the making of any such change or amendment or such termination; and it will not permit to become effective any such change, amendment or termination which could reasonably be expected to affect adversely the interests of any holder of any Notes then outstanding.

4.5 The Issuer shall take such steps (in conjunction with the Dealers, where appropriate) to ensure that any laws and regulations or requirements of any governmental agency, authority or institution which may from time to time be applicable to any Note shall be fully observed and complied with and in particular (but without limitation) that neither the Issuer nor any of its affiliates (as defined in Rule 405 under the Securities Act) nor any person acting on its or its affiliates' behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act. Terms used in this sub-paragraph have the meanings given to them by Regulation S under the Securities Act.

- 4.6 The Issuer covenants and agrees promptly to notify including by means of electronic communication, including, but not limited to, by email and/or directing the Dealers' attention to information on-line, the Dealers of any change in the ratings given by Standard & Poor's Rating Services of the Issuer's debt or upon it becoming aware that such ratings are listed on "Creditwatch" or other similar publication of formal review by the relevant rating agency.
- 4.7 In respect of any issue of Notes, if the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA, the Issuer will issue such Notes only if the following conditions apply (or the Notes can otherwise be issued without contravention of section 19 of the FSMA):
- (a) the relevant Dealer covenants in the terms set out in paragraph 3(b) of Schedule 2; and
 - (b) the redemption value of each such Note is not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than Sterling), and no part of any Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).
- 4.8 Each Dealer represents, covenants and agrees that it has complied with and will comply with the selling restrictions set out in Schedule 2. Subject to compliance with those restrictions, each Dealer is hereby authorised by the Issuer to circulate the Disclosure Documents to purchasers or potential purchasers of the Notes.
- 4.9 The obligations of each Dealer contained in this Agreement are several. In addition, each of the Dealers agrees that the Arranger has only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Programme and has no responsibility to it for: (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in the Information Memorandum, this Agreement or any information provided in connection with the Programme; or (b) the nature and suitability to it of all legal, tax and account matters and all documentation in connection with the Programme or any issue of Notes.

5. CONDITIONS PRECEDENT

- 5.1 The Issuer agrees to procure the supply to the Arranger on behalf of the Dealers, prior to the first issue of Notes to any Dealer, each of the documents set out in Schedule 1 in form, substance and number satisfactory to the relevant Dealer.
- 5.2 In relation to each issue of Notes, it shall be a condition precedent to the purchase thereof by any Dealer that (i) the representations and warranties in Clause 3 (other than clause 3.1(g)(i)(2)) shall be true and correct on each date upon which an agreement for the sale of Notes is made hereunder and on the date on which such Notes are issued and that (ii) there is no other material breach of the Issuer's obligations under any of the Agreements or the Notes.

6. TERMINATION AND APPOINTMENT

- 6.1 The Issuer may terminate the appointment of any Dealer, and any Dealer may resign, on not less than ten days' written notice to the relevant Dealer or the Issuer, as the case may be. The Issuer shall inform the other Dealers, the Issue Agent and the Paying Agents of any such termination or resignation. The rights and obligations of each party hereto shall not terminate in respect of any rights or obligations accrued or incurred before the date on which such termination takes effect and the provisions of Clause 2.2, Clause 4.2, Clause 4.3, Clause 4.4 and Clause 4.6 shall survive termination of this Agreement and delivery against payment for any of the Notes.
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6.2 Nothing in this Agreement shall prevent the Issuer from appointing one or more additional Dealers upon the terms of this Agreement provided that any additional Dealer shall have first confirmed acceptance of its appointment upon such terms in writing to the Issuer in substantially the form of the letter set out in Schedule 5, whereupon it shall become a party to this Agreement vested with all the authority, rights, powers, duties and obligations as if originally named as a Dealer hereunder. The Issuer shall promptly inform the other Arrangers, the other Dealers, the Issue Agent and the Paying Agents of any such appointment. The Issuer hereby agrees to supply to such additional Dealer, upon such appointment, such legal opinion as is specified in paragraph 6 of Schedule 1, if requested, or reliance letters in respect thereof.

7. ASSIGNMENT

If, at any time, any Dealer shall transfer all or substantially all of its ECP business to any affiliate then, on the date such transfer becomes effective, such affiliate shall become the successor to such Dealer under the Dealer Agreement without the execution or filing of any paper or any further act on the part of the parties hereto so that the Issuer and such affiliate shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form (the relevant changes having been made) of the Dealer Agreement. After the said effective date all references in the Dealer Agreement to such Dealer shall be deemed to be references to such affiliate. Such Dealer shall, as soon as reasonably possible, give notice of any such transfer to the Issuer. In this Clause 7 "**affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by such person, any entity that controls, directly or indirectly, such person, or any entity under common control with such person. For this purpose "control" of any entity or person means ownership (whether directly or indirectly) of a majority of the voting power of the entity or person.

8. NOTICES

8.1 All notices and other communications hereunder shall, save as otherwise provided in this Agreement, be made in writing and in English (by letter or fax) and shall be sent to the intended recipient at the address or fax number and marked for the attention of the person (if any) from time to time designated by that party to the other parties hereto for such purpose. The initial address and fax number so designated by each party are set out in the Programme Summary.

8.2 Any communication from any party to any other party under this Agreement shall be effective if sent by letter or fax, upon receipt by the addressee; *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

9. GOVERNING LAW

This Agreement and any agreement reached pursuant to Clause 2.1 are governed by, and shall be construed in accordance with, English law.

Each party which is not resident within the jurisdiction of the English courts agrees that such courts are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. These submissions are for the benefit of each of the other parties and shall not limit the right of any of them to take Proceedings against such non-resident parties in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

10. COUNTERPARTS

This Agreement may be signed in any number of counterparts, all of which when taken together shall constitute a single agreement.

11. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

SCHEDULE 1

Condition Precedent Documents

1. Certified copies of the Issuer's Memorandum and Articles of Association.
 2. Certified copies of all documents evidencing the internal authorisations and approvals required to be granted by the Issuer in connection with the Programme.
 3. Certified copies of any governmental or other consents and any filings required in connection with the Programme.
 4. Certified or conformed copies of:
 - (1) the Dealer Agreement (amended and restated), as executed;
 - (2) the Agency Agreement (amended and restated), as executed; and
 - (3) the Deed of Covenant, as executed.
 5. Copies of the confirmation that the Deed of Covenant has been delivered to the Issue Agent.
 6. A legal opinion from Allen & Overy, legal advisers to the Dealers as to English law.
 7. The Information Memorandum.
 8. A list of the names, titles and specimen signatures of the persons authorised:
 - (1) to sign on behalf of the Issuer this Agreement, the Deed of Covenant, the Agency Agreement and the Notes;
 - (2) to sign on behalf of the Issuer all notices and other documents to be delivered in connection therewith; and
 - (3) to take any other action on behalf of the Issuer in relation to the Programme.
 9. Confirmation from the Issuer or the Issue Agent that the relevant forms of Global Note and (prior to the issue of any Notes denominated in Sterling for which printed definitive Notes are required at the time of issue) printed definitive Notes have been prepared and the same delivered to the Issue Agent.
 10. Confirmation that each of Standard & Poor's Ratings Services and Moody's Investors Service has granted a rating for the Programme.
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SCHEDULE 2**Selling Restrictions****1. General**

By its purchase and acceptance of Notes issued under this Agreement, each Dealer represents, warrants and agrees that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes; and that it will not directly or indirectly offer, sell, resell, reoffer or deliver Notes or distribute any Disclosure Document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

2. The United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer represents and agrees that it has offered and sold, and will offer and sell, Notes only outside the United States to non-U.S. persons in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer represents and agrees that neither it nor any of its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meanings given to them by Regulation S under the Securities Act."

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

3. The United Kingdom

In relation to each issue of Notes, the Dealer purchasing such Notes represents to and agrees with the Issuer that:

- (a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom; and
 - (b) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer; and
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- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

4. Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**") and, accordingly, each Dealer undertakes that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

5. The Netherlands

Each Dealer represents and agrees that it has not, directly or indirectly, offered and it will not, directly or indirectly, offer any Notes issued by the Issuer in The Netherlands as part of their initial distribution or by way of re-offering, except for Notes with a denomination of at least euro 50,000 (or its equivalent in other currencies).

In addition and without prejudice to the above, Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. in accordance with the Dutch Savings Certificates Act (Wet inzake spaarbewijzen) of 21 May 1985 (as amended). No such mediation is required in respect of (a) the initial issue of such Notes to the first holders thereof, (b) the transfer and acceptance of such Notes by individuals not acting in the conduct of a business or profession and (c) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of their initial distribution or immediately thereafter. As used herein "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due prior to maturity or on which no interest is due whatsoever.

SCHEDULE 3**Programme Summary**

Issuer**Reuters Group PLC**

Address: 85 Fleet Street
London
EC4P 4AJ

Telephone: +44 20 7542 4734

Fax: +44 20 7542 5404

Contact: Group Treasurer

Dealer and Arranger**Citibank International plc**

Address: Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Telephone: +44 20 7986 9070

Fax: +44 20 7986 6837

Contact: Short-Term Fixed Income Desk

Dealer**Barclays Bank PLC**

Address: 5 The North Colonnade
Canary Wharf
London E14 4BB

Telephone: +44 20 7773 9075

Fax: +44 20 7773 4875

Contact: Commercial Paper Sales Team

Dealer**Credit Suisse First Boston (Europe) Limited**

Address: One Cabot Square
London E14 4QJ

Telephone: +44 20 7888 4021

Fax: +44 20 7905 6128

Contact: ECP Desk

Dealer**Deutsche Bank AG London**

Address: Winchester House
1 Great Winchester Street
London
EC2N 2DB

Telephone: +44 20 7545 1048
Fax: +44 20 7545 1172
Contact: ECP Group

ING Bank N.V.

Address: Foppingadreef 7
1102 BD Amsterdam-Zuidoost

Telephone: +31 20 5638173
Fax: +31 20 501 3888
Contact: Financial Markets, TR 00.21, ECP

UBS AG, acting through its business group UBS Warburg

Address: 1 Finsbury Avenue
London
EC2M 2PP

Telephone: +44 20 7329 0203
Fax: +44 20 7567 3317
Contact: ECP Desk

Issue and Principal Paying Agent**Citibank, N.A.**

Address: 5 Carmelite Street
London
EC4Y OPA

Telephone: +44 20 7500 1738
Fax: +44 20 7500 1482
Telex: 89 6581 CITIUK G
Contact: ECP Desk

Dealer**Goldman Sachs International**

Address: Peterborough Court
133 Fleet Street
London
EC4A 2BB

Telephone: +44 207 774 2630
Fax: +44 207 774 5186
Contact: Money Market Desk

J.P. Morgan Securities Ltd.

Address: 125 London Wall
London
EC2Y 5AJ

Telephone: +44 20 7779 3180
Fax: +44 20 7777 1938
Contact: ECP Desk

Paying Agent**Dexia Banque Internationale à Luxembourg**

Address: 69, route d'Esch
L-2953
Luxembourg

Telephone: +352 45901
Fax: +352 4590 4227

Contact: Documentation, Fiscal & Listing Agencies

Maximum Amount:

£1,500,000,000

Denominations:

Such conventionally accepted Denominations agreed between the Issuer, the relevant Dealer and the relevant clearing system in respect of an issue of Notes, subject to a minimum of £100,000 or its equivalent in any other currency

Governing Law:

Agreements: English

Notes: English

Form of Notes:

Exchangeable Global Notes with Definitive Notes available on default or in certain other limited circumstances

If required in the case of Sterling Notes, Definitive Notes

Notes may be issued at a discount to face value or may bear interest or may be Index Linked Notes

Minimum Term:

One day

Maximum Term:

364 days (*i.e.* a Note issued on 1st January matures on or before 30th December)

Clearing Systems:

Euroclear Bank S.A./N.V.
Clearstream Banking, société anonyme
Any other clearing system agreed between the Issuer, the Agent and the relevant Dealer

Selling Restrictions:

United Kingdom
U.S.A.
Japan
The Netherlands

SCHEDULE 4

Increase of Maximum Amount

[Letterhead of Reuters Group PLC]

[Date]

To: Barclays Bank PLC
Citibank International plc
Credit Suisse First Boston (Europe) Limited
Deutsche Bank AG London
Goldman Sachs International
ING Bank N.V.
J.P. Morgan Securities Ltd.
UBS AG, acting through its business group UBS Warburg
Citibank, N.A. (as Issue Agent and Principal Paying Agent)
Banque Internationale à Luxembourg S.A. (as Paying Agent)

Dear Sirs

£1,500,000,000 Euro-commercial paper programme

We refer to an amended and restated dealer agreement dated 11th October, 2002 (the "**Dealer Agreement**") between the Issuer, the Arranger and the Dealers party thereto relating to a £1,500,000,000 Euro-commercial paper programme (the "**Programme**"). Terms used in the Dealer Agreement shall have the same meaning in this letter.

In accordance with Clause 2.6 of the Dealer Agreement, we hereby notify each of the addressees listed above that the Maximum Amount of the Programme is to be increased from £[] to £[] with effect from [date], subject to delivery of the following documents:

- (1) [an updated Information Memorandum reflecting the increase in the Maximum Amount of the Programme].
 - (2) certified copies of all documents evidencing the internal authorisations and approvals required to be granted by the Issuer for such increase in the Maximum Amount;
 - (3) certified copies of [specify any governmental or other consents required by the Issuers for such increase];
 - (4) a legal opinion from Allen & Overy relating to such increase;
 - (5) a list of names, titles and specimen signatures of the persons authorised to sign on behalf of the Issuer all notices and other documents to be delivered in connection with such an increase in the Maximum Amount; and
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(6) written confirmation that Standard & Poor's Ratings Services is maintaining its current rating for the Programme.

From the date on which such increase in the Maximum Amount becomes effective, all references in the Dealer Agreement to the Maximum Amount or the amount of the Programme shall be construed as references to the increased Maximum Amount as specified herein.

We attach a revised Programme Summary to replace the existing Programme Summary.

Yours faithfully

.....
for and on behalf of
Reuters Group PLC

SCHEDULE 5

Appointment of New Dealer

[Letterhead of Reuters Group PLC]

[Date]

To: [Name of new Dealer]

Dear Sirs

£1,500,000,000 Euro-commercial paper programme

We refer to an amended and restated dealer agreement dated 11th October, 2002 (the "**Dealer Agreement**") between ourselves, the Arranger and the Dealers party thereto relating to a £1,500,000,000 Euro-commercial paper programme (the "**Programme**"). Terms used in the Dealer Agreement shall have the same meaning in this letter.

In accordance with Clause 6.2 of the Dealer Agreement, we hereby appoint you as an additional dealer for the Programme upon the terms of the Dealer Agreement with [immediate effect/effect from [date]]. Please confirm acceptance of your appointment upon such terms by signing and returning to us the enclosed copy of this letter, whereupon you will, in accordance with Clause 6.2 of the Dealer Agreement, become a party to the Dealer Agreement vested with all the authority, rights, powers, duties and obligations as if originally named as a Dealer thereunder.

Yours faithfully

.....
for and on behalf of
Reuters Group PLC

[On copy]

We hereby confirm acceptance of our appointment as a Dealer upon the terms of the Dealer Agreement referred to above. For the purposes of Clause 8 (*Notices*), our contact details are as follows:

[Name of Dealer]
Address: []

Telephone: []
Fax: []
Contact: []

Dated:

Signed:
for [Name of new Dealer]

SCHEDULE 6

Form of Calculation Agency Agreement

THIS AGREEMENT is made on [date]

BETWEEN

- (1) **REUTERS GROUP PLC** (the "**Issuer**"); and
- (2) [**CALCULATION AGENT**], as the calculation agent appointed pursuant to Clause 6 hereof (the "**Calculation Agent**", which expression shall include any successor thereto).

WHEREAS

- (A) Under an amended and restated dealer agreement (as amended, supplemented and/or restated from time to time, the "**Dealer Agreement**") dated 11th October, 2002 and made between the Issuer, the Arranger and the Dealers referred to therein, and an amended and restated note agency agreement (as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") dated 11th October, 2002 and made between the Issuer and the agents referred to therein, the Issuer established a euro-commercial paper programme (the "**Programme**").
- (B) The Dealer Agreement contemplates, *inter alia*, the issue under the Programme of index linked notes and provides for the appointment of calculation agents in relation thereto. Each such calculation agent's appointment shall be on substantially the terms and subject to the conditions of this Agreement.

IT IS AGREED as follows:

1. INTERPRETATION

- 1.1 Terms not expressly defined herein shall have the meanings given to them in the Dealer Agreement or the Agency Agreement.
- 1.2 "**Relevant Index Linked Notes**" means such Index Linked Notes in respect of which the Calculation Agent is appointed.

2. APPOINTMENT OF CALCULATION AGENT

The Issuer appoints the Calculation Agent as its agent for the purpose of calculating the redemption amount and/or, if applicable, the amount of interest in respect of the Relevant Index Linked Notes upon the terms and subject to the conditions of this Agreement. The Calculation Agent accepts such appointment.

3. DETERMINATION AND NOTIFICATION

- 3.1 The Calculation Agent shall determine the redemption amount of, and/or, if applicable, the amount of interest payable on, each Relevant Index Linked Note in accordance with the redemption calculation applicable thereto.
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3.2 The Calculation Agent shall as soon as it has made its determination as provided for in Clause 3.1 above (and, in any event, no later than the close of business on the date on which the determination is made) notify the Issuer and the Principal Paying Agent (if other than the Calculation Agent) of the redemption amount and/or, if applicable the amount of interest so payable.

4. STAMP DUTIES

The Issuer will pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) payable in connection with the execution, delivery and performance of this Agreement.

5. INDEMNITY AND LIABILITY

5.1 The Issuer shall indemnify and hold harmless on demand the Calculation Agent against any claim, liability, damage, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it may incur arising out of, in connection with or based upon the exercise of its powers and duties as Calculation Agent under this Agreement, except such as may result from its own negligence or bad faith or that of its officers, employees or agents.

5.2 The Calculation Agent shall indemnify the Issuer against any claim, liability, damage, cost, loss or expense that the Issuer may incur or that may be made against it as a result of or in connection with the Calculation Agent's negligence, bad faith or wilful default or that of its officers, employees or agents.

5.3 The Calculation Agent may consult as to legal matters with lawyers selected by it, who may be employees of, or lawyers to, the Issuer. If such consultation is made, the Calculation Agent shall be protected and shall incur no liability for action taken or not taken by it as Calculation Agent or suffered to be taken with respect to such matters in good faith, without negligence and in accordance with the opinion of such lawyers.

6. CONDITIONS OF APPOINTMENT

The Calculation Agent and the Issuer agree that the Calculation Agent's appointment will be subject to the following conditions:

- (a) in acting under this Agreement, the Calculation Agent shall act as an independent expert and shall not assume any obligations towards or relationship of agency or trust for the Issuer or the owner or holder of any of the Relevant Index Linked Notes or any interest therein;
 - (b) unless otherwise specifically provided in this Agreement, any order, certificate, notice, request, direction or other communication from the Issuer made or given under any provision of this Agreement shall be sufficient if signed or purported to be signed by a duly authorised employee of the Issuer;
 - (c) the Calculation Agent shall be obliged to perform only those duties which are set out in this Agreement and in the redemption calculation relating to the Relevant Index Linked Notes;
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- (d) the Calculation Agent and its officers and employees, in its individual or any other capacity, may become the owner of, or acquire any interest in, any Relevant Index Linked Notes with the same rights that the Calculation Agent would have if it were not the Calculation Agent hereunder; and
- (e) all calculations and determinations made pursuant to this Agreement by the Calculation Agent shall (save in the case of manifest error) be binding on the Issuer, the Calculation Agent and (if other than the Calculation Agent) the holder(s) of the Relevant Index Linked Notes and no liability to such holder(s) shall attach to the Calculation Agent in connection with the exercise by the Calculation Agent of its powers, duties or discretion under or in respect of the Relevant Index Linked Notes in accordance with the provisions of this Agreement.

7. ALTERNATIVE APPOINTMENT

If, for any reason, the Calculation Agent ceases to act as such or fails to comply with its obligations under Clause 3, the Issuer shall appoint the Principal Paying Agent as calculation agent in respect of the Relevant Index Linked Notes.

8. GOVERNING LAW

This Agreement is governed by, and shall be construed in accordance with, English law. Each party which is not resident within the jurisdiction of the English courts agrees that such courts are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement ("**Proceedings**") may be brought in such courts. These submissions are for the benefit of each of the other parties and shall not limit the right of any of them to take Proceedings against such non-resident parties in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

9. COUNTERPARTS

This Agreement may be signed in any number of counterparts, all of which when taken together shall constitute a single agreement.

10. THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

REUTERS GROUP PLC

By:

[NAME OF CALCULATION AGENT]

By:]

SIGNATORIES

The Issuer

REUTERS GROUP PLC

By: **D J GRIGSON**

The Arranger

CITIBANK INTERNATIONAL plc

By: **COLIN WITHERS**

The Dealers

BARCLAYS BANK PLC
CITIBANK INTERNATIONAL plc
CREDIT SUISSE FIRST BOSTON (EUROPE) LIMITED
DEUTSCHE BANK AG LONDON
GOLDMAN SACHS INTERNATIONAL
ING BANK N.V.
J.P. MORGAN SECURITIES LTD.
UBS AG, acting through its business group UBS WARBURG

By: **COLIN WITHERS**

Dated 7th November, 2003

REUTERS GROUP PLC
as Issuer and Guarantor

REUTERS FINANCE PLC
as Issuer

£1,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME

AMENDED AND RESTATED PROGRAMME AGREEMENT

Linklaters
London
Ref: DJXB/PTTO

CONTENTS

Clause		Page
1.	Definitions and Interpretation	1
2.	Agreements to Issue and Purchase Notes	6
3.	Conditions of Issue; Updating of Legal Opinions	7
4.	Representations, Warranties and Undertakings	10
5.	Undertakings of the Issuers	14
6.	Indemnity	18
7.	Authority to distribute Documents	19
8.	Dealers' Undertakings	20
9.	Fees, Expenses and Stamp Duties	20
10.	Termination of Appointment of Dealers	21
11.	Appointment of new Dealers	21
12.	Increase in the Aggregate Nominal Amount of the Programme	22
13.	Status of the Dealers and the Arranger	22
14.	Counterparts	23
15.	Communications	23
16.	Benefit of Agreement	23
17.	Calculation Agent	23
18.	Stabilisation	24
19.	Contracts (Rights of Third Parties) Act 1999	24
20.	Governing Law	24
A.	Initial Documentation List	25
B.	Selling Restrictions	28
C.	Part I – Form of Dealer Accession Letter – Programme	32
Part II –	Form of Confirmation Letter	34
Part III –	Form of Dealer Accession Letter – Note Issue	35
Part IV –	Form of Confirmation Letter – Note Issue	37
D.	Letter regarding increase in the nominal amount of the Programme	38
E.	Form of Subscription Agreement	40
Signatories		44

AMENDED AND RESTATED PROGRAMME AGREEMENT

in respect of a

£1,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

THIS AGREEMENT is made on 7th November, 2003 BETWEEN:

- (1) REUTERS GROUP PLC ("RG" and an "Issuer");
- (2) REUTERS FINANCE PLC ("RF", an "Issuer" and together with RG, the "Issuers"); and
- (3) ABN AMRO BANK N.V., CITIGROUP GLOBAL MARKETS LIMITED, CREDIT SUISSE FIRST BOSTON (EUROPE) LIMITED, HSBC BANK plc, J.P. MORGAN SECURITIES LTD., MORGAN STANLEY & CO. INTERNATIONAL LIMITED and UBS LIMITED (the "Initial Dealers").

WHEREAS:

- (A) RG established a euro medium term note programme dated 16th December, 1998, in connection with which programme RG and certain dealers entered into a programme agreement dated 16th December, 1998, which was amended and restated on 28th March, 2002 ("**Principal Programme Agreement**").
- (B) By resolutions of its Board of Directors, dated 24th October, 2003 and a duly authorised committee of such Board of Directors dated 6th November, 2003, RF has resolved to join the Programme as an Issuer.
- (C) By a resolution of its Board of Directors, dated 21st October, 2003, RG (in such capacity, the "**Guarantor**") has resolved to unconditionally and irrevocably guarantee pursuant to the terms of the Guarantee the issue of any Notes by RF under the Programme.
- (D) The parties hereto have agreed to make certain modifications to the Principal Programme Agreement.
- (E) This Agreement amends and restates the Principal Programme Agreement. Any Notes issued under the Programme on or after the date hereof shall be issued pursuant to this Agreement. This does not affect any Notes issued under the Programme prior to the date of this Agreement.
- (F) The parties wish to record the arrangements agreed between them in relation to the sale by the Issuers and the purchase by Dealers from time to time of Notes.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- (1) For the purposes of this Agreement, except where the context requires otherwise:
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"**Agency Agreement**" means the amended and restated agreement dated 7th November, 2003 between the Issuers, the Guarantor, the Trustee, the Agent and the other Paying Agents referred to therein under which, amongst other things, the Agent is appointed as issuing agent, principal paying agent and agent bank for the purposes of the Programme;

"**Agent**" means Citibank, N.A. as Agent under the Agency Agreement and any successor agent appointed in accordance with the Agency Agreement;

"**Agreement Date**" means, in respect of any Note, the date on which agreement is reached for the issue of such Note as contemplated in clause 2 which, in the case of Notes issued on a syndicated basis or otherwise in relation to which a Subscription Agreement is entered into, shall be the date upon which the relevant Subscription Agreement is signed by or on behalf of all the parties thereto;

"**Agreements**" means each of this Programme Agreement, the Trust Deed and the Agency Agreement;

"**Arranger**" means J.P. Morgan Securities Ltd. and any entity appointed by the Issuers as an arranger for the Programme or by the relevant Issuer in respect of any particular issue of Notes under the Programme and references in this Agreement to the "**Arranger**" shall be references to the relevant Arranger;

"**Authorised Adviser**" means J.P. Morgan Securities Ltd. or any other authorised adviser appointed by the Issuers from time to time for the purposes of liaising with the relevant authority or authorities from time to time;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Confirmation Letter**" means:

- (a) in respect of the appointment of a third party as a Dealer for the duration of the Programme, the Confirmation Letter substantially in the form set out in Part II of Appendix C hereto; and
- (b) in respect of the appointment of a third party as a Dealer for one or more particular issues of Notes under the Programme, the Confirmation Letter substantially in the form set out in Part IV of Appendix C hereto;

"**Credit Rating Agencies**" means Moody's Investors Services and Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc.;

"**Dealer**" means each of the Initial Dealers (including J.P. Morgan Securities Ltd. in its capacity as Arranger) and any New Dealer and excludes any entity whose appointment has been (i) terminated pursuant to clause 10 or (ii) lapsed according to its terms, and references in this Agreement to the "**relevant Dealer**" shall, in relation to any Note, be references to the Dealer or Dealers with whom the relevant Issuer has, and in the case of an issue by RF, RF and RG have, agreed the issue and purchase of such Note;

"Dealer Accession Letter" means:

- (a) in respect of the appointment of a third party as a Dealer for the duration of the Programme, the Dealer Accession Letter substantially in the form set out in Part I of Appendix C hereto; and
- (b) in respect of the appointment of a third party as a Dealer for one or more particular issues of Notes under the Programme, the Dealer Accession Letter substantially in the form set out in Part III of Appendix C hereto;

"Directive" includes any present or future directive, regulation, rule or credit restraint programme of any relevant agency, authority, central bank, department, government, legislature, minister, ministry, official, public or statutory corporation, self-regulating organisation or stock exchange;

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended;

"FSMA" means the Financial Services and Markets Act 2000;

"Group" means the RG and its consolidated subsidiaries;

"Guarantee" means the guarantee of the Notes set out in the Trust Deed and appearing on the face of the Notes;

"Initial Documentation List" means the lists of documents set out in Appendix A to this Agreement;

"Issue Date" means, in respect of any Note, the date of issue and purchase of such Note pursuant to and in accordance with this Agreement or any other agreement between the relevant Issuer and in the case of an issue by RF, RF and RG and the relevant Dealer(s), being in the case of any Definitive Note represented by a Global Note, the same date as the date of issue of the Global Note which initially represents the Note;

"Lead Manager" means, in relation to any Tranche of Notes, the person named as the Lead Manager in the applicable Subscription Agreement or where only one Dealer signs such Subscription Agreement, such Dealer;

"Listing Agent" means, in relation to any Notes which are, or are to be, listed or admitted to trading on a Stock Exchange or any other relevant authority or authorities other than the London Stock Exchange, such listing agent as the relevant Issuer may from time to time appoint for the purposes of liaising with such Stock Exchange or other relevant authority or authorities;

"Listing Particulars" means, with regard to the issue of Notes to be listed on a Stock Exchange, any listing particulars (including supplementary listing particulars) approved under the Listing Rules by the relevant authority:

- (i) in accordance with the provisions of section 75 of the FSMA (including any supplementary listing particulars published in accordance with the provisions of this Agreement or otherwise) in the case of Notes which are, or are to be, listed on the London Stock Exchange; and/or
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(ii) in accordance with their equivalent in the case of Notes which are, or are to be, listed on a Stock Exchange other than the London Stock Exchange;

"Listing Rules" means:

(i) in the case of Notes which are, or are to be, admitted to the Official List, the listing rules made under section 74 of the FSMA; and

(ii) in the case of Notes which are, or are to be, listed or admitted to trading on a Stock Exchange or any other relevant authority or authorities other than the London Stock Exchange, the listing rules and regulations for the time being in force for such Stock Exchange or other relevant authority or authorities;

"London Stock Exchange" means the London Stock Exchange plc or such other body to which its functions have been transferred;

"New Dealer" means any entity appointed as an additional Dealer in accordance with clause 11;

"Note" means a note issued or to be issued by an Issuer pursuant to this Agreement, which Note may be represented by a Global Note or be in definitive form including any receipts, coupons or talons relating thereto;

"Offering Circular" means the Offering Circular relating to the Notes prepared in connection with the Programme and constituting (in the case of Notes other than Notes not to be listed on a Stock Exchange) to the extent specified therein the Listing Particulars as revised, supplemented or amended from time to time by the Issuers in accordance with clause 5(2) including, in relation to each Tranche of Notes, the applicable Pricing Supplement and such other documents as are from time to time incorporated therein by reference except that for the purpose of clause 4(2) in respect of the Agreement Date and the Issue Date, the Offering Circular means the Offering Circular as at the Agreement Date and not including any subsequent revision, supplement or amendment thereto or incorporation of information therein;

"Official List" has the meaning given to that term in section 103 of the FSMA;

"Pricing Supplement" means the pricing supplement issued in relation to each Tranche of Notes (substantially in the form of Annexe C to the Procedures Memorandum) as a supplement to the Offering Circular and giving details of that Tranche;

"Procedures Memorandum" means the Operating and Administrative Procedures Memorandum as amended or varied from time to time (in respect of any Tranche) by agreement between the relevant Issuer and in the case of an issue by RF, RF and RG and the relevant Dealer or Lead Manager with the approval in writing of the Agent;

"Programme" means the Euro Medium Term Note Programme established by the Principal Programme Agreement (as amended and restated by this Agreement) and the Trust Deed;

"Relevant Party" means each Dealer, each of their respective affiliates and each person who controls them (within the meaning of section 15 of the Securities Act or section 20 of the Exchange Act) and each of their respective directors, officers, employees and agents;

"Securities Act" means the United States Securities Act of 1933, as amended;

"Stock Exchange" means the London Stock Exchange or any other stock exchange(s) on which any Notes may from time to time be listed or admitted to trading, and references in this Agreement to the **"relevant Stock Exchange"** shall, in relation to any Notes, be references to the stock exchange or stock exchanges on which such Notes are from time to time, or are intended to be, listed or admitted to trading;

"Subscription Agreement" means an agreement (by whatever name called) in or substantially in the form set out in Appendix E hereto or in such other form as may be agreed between the relevant Issuer, the Guarantor (if applicable) and the Lead Manager which agreement shall be supplemental to this Agreement;

"Trust Deed" means the Trust Deed dated 7th November, 2003 (such Trust Deed as modified and/or supplemented and/or restated from time to time) between RF, RG and the Trustee pursuant to which Notes will, on issue, be constituted and which sets out the terms and conditions upon and subject to which the Trustee has agreed to act as trustee and any trust deed or other document executed by RF and RG and the Trustee in accordance with the provisions thereof and expressed to be supplemental thereto; and

"Trustee" means Citicorp Trustee Company Limited and shall, whenever the context so admits, include such company and/or any other trustee or trustees for the time being for the holders of the Notes under the Trust Deed.

- (2) Terms and expressions defined in the Trust Deed, the Agency Agreement, the Conditions and/or the applicable Pricing Supplement and not otherwise defined in this Agreement shall have the same meanings in this Agreement, except where the context otherwise requires.
 - (3) In this Agreement, clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement.
 - (4) All references in this Agreement to the provisions of any statute shall be deemed to be references to that statute as from time to time modified, extended, amended or re-enacted.
 - (5) All references in this Agreement to an agreement, instrument or other document (including this Agreement, the Trust Deed, the Agency Agreement, any Notes and any Conditions appertaining thereto) shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied, supplemented, replaced or novated from time to time including, but without prejudice to the generality of the foregoing, this Agreement as supplemented by any Subscription Agreement.
 - (6) Words denoting the singular number only shall include the plural number also and *vice versa*; words denoting the masculine gender only shall include the feminine gender also; and words denoting persons only shall include firms and corporations and *vice versa*.
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- (7) All references in this Agreement to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include reference to any additional or alternative clearing system approved by the relevant Issuer, the Trustee and the Agent.
 - (8) All references in this Agreement to "listing" and "listed" in relation to any Notes which are to have a "listing" or be "listed" on the London Stock Exchange, shall be construed to mean that Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange.

2. AGREEMENTS TO ISSUE AND PURCHASE NOTES

- (1) Subject to the terms and conditions of this Agreement, each Issuer and in the case of an issue by RF, RF and RG may from time to time agree with any Dealer to issue, and any Dealer may agree to purchase, Notes.
 - (2) Unless otherwise agreed between the parties, on each occasion upon which an Issuer and in the case of an issue by RF, RF and RG and any Dealer agree on the terms of the issue by such Issuer and purchase by such Dealer of one or more Notes:
 - (a) such Issuer shall cause such Notes which shall be initially represented by a Temporary Global Note or a Permanent Global Note, as indicated in the applicable Pricing Supplement, to be issued and delivered to a common depository for Euroclear and Clearstream, Luxembourg on the agreed Issue Date;
 - (b) the securities account of the relevant Dealer with Euroclear and/or Clearstream, Luxembourg (as specified by the relevant Dealer) will be credited with such Notes on the agreed Issue Date, as described in the Procedures Memorandum; and
 - (c) the relevant Dealer or, as the case may be, the Lead Manager shall, subject to such Notes being so credited, cause the net purchase moneys for such Notes to be paid in the relevant currency by transfer of funds to the designated account of the Agent or (in the case of syndicated issues) the designated account of such Issuer with Euroclear and/or Clearstream, Luxembourg so that such payment is credited to such account for value on such Issue Date, as described in the Procedures Memorandum.
 - (3) Unless otherwise agreed between the relevant Issuer and in the case of an issue by RF, RF and RG and the relevant Dealers, where more than one Dealer has agreed with the relevant Issuer and in the case of an issue by RF, RF and RG to purchase a particular Tranche of Notes pursuant to this clause, the obligations of such Dealers so to purchase the Notes shall be joint and several.
 - (4) Where the relevant Issuer agrees with two or more Dealers to issue, and such Dealers agree to purchase, Notes on a syndicated basis, the relevant Issuer and the Guarantor (if applicable) shall enter into a Subscription Agreement with such Dealers. The relevant Issuer and the Guarantor (if applicable) may also enter into a Subscription Agreement with one Dealer only. For the avoidance of doubt, the Agreement Date in respect of such issue shall be the date on which the Subscription Agreement is signed on behalf of all parties thereto.
 - (5) The procedures which the parties intend should apply for the purposes of issues not to be subscribed pursuant to a Subscription Agreement are set out in Annexe A, Part 1 of the Procedures Memorandum. The procedures which the parties intend should apply for the purposes of issues to be subscribed pursuant to a Subscription Agreement are set out in Annexe A, Part 2 of the Procedures Memorandum.
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- (6) Each Issuer acknowledges and agrees that any issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions, Directives, consents, approvals or reporting requirements apply may only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
 - (7) Each Dealer acknowledges that each Issuer may sell Notes issued under the Programme to any institution which has not become a Dealer pursuant to clause 11. Each Issuer, and in the case of an issue by RF, the Guarantor hereby undertake to each of the Dealers that it will, in relation to any such sales, comply with the restrictions and agreements set out in Appendix B hereto as if it were a Dealer.
 - (8) The relevant Issuer will procure that any Dealer may at any time obtain from the Agent details of the outstanding principal amount of Notes of any Series issued by it in relation to which such Dealer is a relevant Dealer.
 - (9) Time shall be of the essence of any agreement reached pursuant to this clause 2.

3. CONDITIONS OF ISSUE; UPDATING OF LEGAL OPINIONS

(1) First issue

Before an Issuer reaches its first agreement with any Dealer for the issue and purchase of Notes, each Dealer shall have received, and found satisfactory (in its reasonable opinion), all of the documents and confirmations described in Part I of the Initial Documentation List. Any Dealer must notify the Arranger and the relevant Issuer within ten London business days of receipt of the documents and confirmations described in Part I of the Initial Documentation List if it considers any such document or confirmation to be unsatisfactory in its reasonable opinion and, in the absence of such notification, such Dealer shall be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

(2) Each issue

The obligations of a Dealer under any agreement for the issue and purchase of Notes made pursuant to clause 2 are conditional upon:

- (a) there having been, as at the proposed Issue Date, no occurrence of any event making untrue, inaccurate or incorrect to an extent which is material as aforesaid any of the warranties contained in clause 4 (as if such representations and warranties were repeated on such date with reference to the then existing circumstances taking into account the issue of such Notes);
 - (b) there being no outstanding breach, which is material in the context of the issue of the Notes, of any of the obligations of the relevant Issuer and the Guarantor (if applicable) under this Agreement, the Trust Deed, the Agency Agreement or any Notes which has not been expressly waived by the relevant Dealer on or prior to the proposed Issue Date;
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- (c) subject to clause 12, the aggregate nominal amount (or, in the case of Notes denominated in a currency other than pounds sterling, the pounds sterling equivalent (determined as provided in subclause (5)) of the aggregate nominal amount) of the Notes to be issued, when added to the aggregate nominal amount (or, in the case of Notes denominated in a currency other than pounds sterling, the pounds sterling equivalent (determined as aforesaid) of the aggregate nominal amount) of all Notes outstanding (as defined in the Trust Deed) on the proposed Issue Date (excluding for this purpose Notes due to be redeemed on such Issue Date) not exceeding £1,000,000,000 (or its equivalent in other currencies as determined pursuant to subclause (5));
 - (d) in the case of Notes which are intended to be listed, the relevant authority or authorities having agreed on or prior to the Issue Date to list such Notes, subject only to the issue of the relevant Notes;
 - (e) there having been, between the Agreement Date and the Issue Date for such Notes, in the opinion of the relevant Dealer after consultation with the relevant Issuer if practicable, no such change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the opinion of the relevant Dealer, be likely to prejudice materially the success of the offering and distribution of the Notes proposed to be issued or dealings in the Notes on the secondary market;
 - (f) there being in full force and effect all governmental or regulatory resolutions, approvals or consents required for the relevant Issuer to issue the Notes and (if applicable) for the Guarantor to give the Guarantee in respect of the Notes on the proposed Issue Date and for the relevant Issuer to fulfil its obligations under such Notes and (if applicable) for the Guarantor to fulfil its obligations pursuant to the terms of the Guarantee and the relevant Issuer and (if applicable) the Guarantor having delivered to the relevant Dealer (and, to the extent not previously delivered, to the Arranger) certified copies of such resolutions, approvals or consents and, where applicable, certified English translations thereof;
 - (g) the forms of the Pricing Supplement, the applicable Global Notes (including, if applicable, the Guarantee to be enfacéd thereon), Notes in definitive form (including, if applicable, the Guarantee to be enfacéd thereon) and Receipts, Coupons or Talons (each as applicable) in relation to the relevant Tranche and the relevant settlement procedures having been agreed by the relevant Issuer, the Guarantor (if applicable) the relevant Dealer, the Trustee and the Agent;
 - (h) the relevant currency being accepted for settlement by Euroclear and Clearstream, Luxembourg;
 - (i) the delivery to the Common Depository of the Temporary Global Note and/or the Permanent Global Note representing the relevant Notes as provided in the Agency Agreement;
 - (j) no meeting of the holders of the Notes (or any of them) to consider matters which might in the reasonable opinion of the relevant Dealer or the Lead Manager be considered to be material in the context of the issue of such Notes having been duly convened but not yet held or, if held but adjourned, the adjourned meeting having not been held and the relevant Issuer and the Guarantor (if applicable) not being aware of any circumstances which are likely to lead to the convening of such a meeting by it;
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(k) the relevant Issuer delivering to the relevant Dealer (or, in the case of Notes issued on a syndicated basis, the Lead Manager on behalf of the relevant Dealers) such opinions, documents and certificates as such Dealer or Lead Manager, as the case may be, agrees with the relevant Issuer and in the case of an issue by RF, RF and RG prior to the Agreement Date; and

(l) any calculations or determinations which are required by the relevant Conditions to have been made prior to the Issue Date having been duly made.

In the event that any of the foregoing conditions is not satisfied, the relevant Dealer shall be entitled (but not bound) by notice to the relevant Issuer and in the case of an issue by RF, RF and RG to be released and discharged from its obligations under the agreement reached under clause 2.

(3) **Waiver**

Any Dealer, on behalf of itself only, may by notice in writing to the relevant Issuer and in the case of an issue by RF, RF and RG waive any of the conditions precedent contained in subclause (2) (save for the condition precedent contained in subclause (2)(c)) in so far as they relate to an issue of Notes to that Dealer.

(4) **Updating of legal opinions**

On each occasion when the Offering Circular is updated or amended pursuant to clause 5(2)(a), each Issuer will procure that further legal opinions, in such form and with such content as the Dealers may reasonably require, are delivered, at the expense of the relevant Issuer and in the case of RF, failing whom, RG, to the Dealers and the Trustee from legal advisers (approved by the Dealers) in England.

In addition, on such other occasions as a Dealer agrees with an Issuer, the relevant Issuer and in the case of RF, failing whom, RG will procure that a further legal opinion or further legal opinions, as the case may be, in such form and with such content as the Dealers may reasonably require, is or are delivered, at the expense of the relevant Issuer and in the case of RF, failing whom, RG to the Dealers and the Trustee from legal advisers (approved by the Dealers) in England. If at or prior to the time of any agreement to issue and purchase Notes under clause 2 such a request is made with respect to the Notes to be issued, the receipt of the relevant opinion or opinions by the relevant Dealer in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Notes to that Dealer.

(5) **Determination of amounts outstanding**

For the purposes of subclause (2)(c):

(a) the pounds sterling equivalent of Notes denominated in another Specified Currency (as set out in the relevant Pricing Supplement) (which, in the case of Dual Currency Notes, shall be so if the subscription monies are not paid in pounds sterling) shall be determined, at the discretion of the relevant Issuer, either as of the Agreement Date for such Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the pounds sterling against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;

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- (b) the pounds sterling equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the amount of the subscription price paid); and
 - (c) the pounds sterling equivalent of Zero Coupon Notes and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the nominal amount of the relevant issue.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- (1) As at the date of this Agreement, RG hereby represents, warrants and undertakes to the Dealers and each of them as follows:
 - (a) that the audited consolidated financial statements of the Group for the three most recent financial years were prepared in accordance with the requirements of law and with accounting principles generally accepted in the United Kingdom consistently applied and that they give a true and fair view of (i) the consolidated financial condition of the Group as at the date to which they were prepared (the "**relevant date**") and (ii) the consolidated results of operations and changes in the financial position of the Group for the financial year ended on the relevant date and that there has been no material adverse change nor any development or event involving a prospective material adverse change of which RG is, or might reasonably be expected to be, aware in the consolidated condition (financial or otherwise) of the Group since the most recent relevant date, except as disclosed in the Offering Circular;
 - (b) that the Offering Circular contains all the information relating to RF, to it and to the Group and the Notes to be issued or guaranteed by it required by section 80 of the FSMA and otherwise complies with the Listing Rules and also contains all the information relating to RF, to it and to the Group and the Notes to be issued or guaranteed by it required by English law and regulations and otherwise complies with such law and regulations to the extent applicable to the Programme;
 - (c) that it has been duly incorporated and is validly existing under English law (and the laws of any other jurisdiction in which it carries on business) with full power and authority and legal capacity to own, lease and operate its properties and conduct its business and, in its capacity as an Issuer, to issue the Notes upon the terms and conditions set out in the Notes and the Agreements and, in its capacity as Guarantor, to give the Guarantee in respect of the Notes issued by RF and, in each case, execute and perform its obligations under the Notes and the Agreements to which it is a party;
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- (d) that the issue of Notes and the execution and delivery of the Agreements by it, in its capacity as an Issuer, and the giving of the Guarantee, in its capacity as Guarantor, have been duly authorised by it and, in the case of Notes, upon due execution, issue and delivery in accordance with the Trust Deed and the Agency Agreement, will constitute, and, in the case of the Agreements constitute, its legal, valid and binding obligations enforceable in accordance with their respective terms subject as specified in the most recent English legal opinion provided to the Dealers and the Trustee pursuant to this Agreement;
 - (e) that the execution and delivery of the Agreements, the issue, offering and distribution of Notes and the performance of the terms of any Notes and the Agreements by it will not infringe any English law or regulation and are not contrary to the provisions of its memorandum and articles of association and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which it is a party or by which it or its property is bound;
 - (f) that no Event of Default is subsisting in relation to any outstanding Note issued or guaranteed (if applicable) by it and no event has occurred which might constitute (after an issue of such Notes) an Event of Default thereunder;
 - (g) that, save as described in the Offering Circular or as otherwise disclosed in writing by it to the Dealers, no action or proceeding of or before any court or administrative tribunal has been commenced against any member of the Group or, to the best of its knowledge and belief, is threatened, which (i) would restrain or affect the execution and delivery by each of it and RF of the Agreements to which it and RF are parties or the performance and compliance by each of it and RF of, and with, the obligations expressed to be assumed by each of them respectively therein or the legality, validity or enforceability thereof, or (ii) which would be reasonably expected to succeed and, if successful, to have a material adverse effect on the financial position of the Group;
 - (h) that no consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority in the United Kingdom is required and no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by it or RF, as the case may be, for or in connection with (i) the execution, issue and offering of Notes under the Programme and compliance by it or RF, as the case may be, with the terms of any Notes issued by it under the Programme or (ii) the execution and delivery of, and compliance with the terms of, the Agreements;
 - (i) that all corporate approvals and authorisations required by it and RF, as the case may be, for or in connection with (i) the execution, issue and offering of Notes under the Programme and compliance by it or RF, as the case may be, with the terms of any Notes issued under the Programme and (ii) the execution and delivery of, and compliance with the terms of, the Agreements have been obtained and are in full force and effect;
 - (j) its obligations to pay the principal of and interest on the Notes issued by it and its obligations under the Guarantee in respect of Notes issued by RF are, or when incurred will be, its direct, unconditional and unsecured obligations ranking *pari passu* in all respects and rateably without preference or priority, by reason of date of issue, currency of payment or otherwise, with all its other unsecured and unsubordinated obligations (whether outstanding at the date hereof or hereafter);
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- (k) that none of it, its affiliates, or any persons acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer), has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to the Notes issued or guaranteed (if applicable) by it;
- (l) that it, its affiliates, and each person acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer) have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act; with respect to the Notes issued or guaranteed (if applicable) by it; and
- (m) that in relation to each Tranche of Notes issued or guaranteed (if applicable) by it; for which a Dealer is named as a Stabilising Manager in the applicable Pricing Supplement, it has not issued and will not issue, without the prior consent of that Dealer, any press or other public announcement referring to the proposed issue of such Notes unless the announcement adequately discloses that stabilising action may take place in relation to the Notes to be issued.
- (2) As at the date of this Agreement, RF hereby represents, warrants and undertakes to the Dealers and each of them as follows:
- (a) when prepared the audited non-consolidated financial statements of RF for the most recent financial year will be prepared in accordance with the requirements of law and with accounting principles generally accepted in the United Kingdom consistently applied and they will give a true and fair view of (i) the non-consolidated financial condition of RF as at the date to which they will be prepared (the “**relevant date**”) and (ii) the consolidated results of operations and changes in the financial position of RF for the financial year ended on the relevant date and that there has been no material adverse change nor any development or event involving a prospective material adverse change of which RF is, or might reasonably be expected to be, aware in the non-consolidated condition (financial or otherwise) of RF since its incorporation (in the case of the period prior to the preparation of such financial statements) or (in the case of the following period) since the most recent relevant date, except as disclosed in the Offering Circular.
- (b) that the Offering Circular contains all the information relating to it and the Notes to be issued by it required by section 80 of the FSMA and otherwise complies with the Listing Rules and also contains all the information relating to it and the Notes to be issued by it required by English law and regulations and otherwise complies with such law and regulations to the extent applicable to the Programme;
- (c) that it has been duly incorporated and is validly existing under English law (and the laws of any other jurisdiction in which it carries on business) with full power and authority and legal capacity to own, lease and operate its properties and conduct its business and to issue the Notes upon the terms and conditions set out in the Notes issued by it and the Agreements and execute and perform its obligations under the Notes issued by it and the Agreements to which it is a party;
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- (d) that the issue of Notes by it and the execution and delivery of the Agreements by it have been duly authorised by it and, in the case of Notes, upon due execution, issue and delivery in accordance with the Trust Deed and the Agency Agreement, will constitute, and, in the case of the Agreements constitute, its legal, valid and binding obligations enforceable in accordance with their respective terms subject as specified in the most recent English legal opinion provided to the Dealers and the Trustee pursuant to this Agreement;
 - (e) that the execution and delivery of the Agreements, the issue, offering and distribution of Notes and the performance of the terms of any Notes and the Agreements by it will not infringe any English law or regulation and are not contrary to the provisions of its memorandum and articles of association and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which it is a party or by which it or its property is bound;
 - (f) that no Event of Default is subsisting in relation to any outstanding Note issued by it and no event has occurred which might constitute (after an issue of such Notes) an Event of Default thereunder;
 - (g) that, save as described in the Offering Circular or as otherwise disclosed in writing by it to the Dealers, no action or proceeding of or before any court or administrative tribunal has been commenced against it or, to the best of its knowledge and belief, is threatened, which (i) would restrain or affect the execution and delivery by it of the Agreements to which it is a party or the performance and compliance by it of, and with, the obligations expressed to be assumed by it therein or the legality, validity or enforceability thereof, or (ii) which would be reasonably expected to succeed and, if successful, to have a material adverse effect on its financial position;
 - (h) that no consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority in the United Kingdom is required and no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by it for or in connection with (i) the execution, issue and offering of Notes under the Programme and compliance by it with the terms of any Notes issued by it under the Programme or (ii) the execution and delivery of, and compliance with the terms of, the Agreements;
 - (i) that all corporate approvals and authorisations required by it for or in connection with (i) the execution, issue and offering of Notes by it under the Programme and compliance by it with the terms of any Notes issued by it under the Programme and (ii) the execution and delivery of, and compliance with the terms of, the Agreements have been obtained and are in full force and effect;
 - (j) its obligations to pay the principal of and interest on the Notes issued by it are, or when incurred will be, its direct, unconditional and unsecured obligations ranking *pari passu* in all respects and rateably without preference or priority, by reason of date of issue, currency of payment or otherwise, with all its other unsecured and unsubordinated obligations (whether outstanding at the date hereof or hereafter);
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- (k) that none of it, its affiliates, and any persons acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer), has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to the Notes issued by it;
 - (l) that it, its affiliates, and each person acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer) have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act with respect to the Notes issued by it; and
 - (m) that in relation to each Tranche of Notes issued by it for which a Dealer is named as a Stabilising Manager in the applicable Pricing Supplement, it has not issued and will not issue, without the prior consent of that Dealer, any press or other public announcement referring to the proposed issue of such Notes unless the announcement adequately discloses that stabilising action may take place in relation to the Notes to be issued.
- (3) With regard to each issue of Notes, the relevant Issuer and the Guarantor (if applicable) shall be deemed to repeat the representations, warranties and agreements contained in subclauses (1) and (2) as at the Agreement Date for such Notes (any agreement on such Agreement Date being deemed to have been made on the basis of, and in reliance on, such representations, warranties and agreements) provided always that each of the above representations, warranties and agreements shall be qualified by, and to the extent of, any information disclosed in writing for the purpose of such qualifications to, and acknowledged in writing by, the relevant Dealers or, as the case may be, the Dealers and the Arranger on or before the relevant Agreement Date.
- (4) RF and RG shall be deemed to repeat the representations, warranties and agreements contained in subclauses (1) and (2) on each date on which the Offering Circular is revised, supplemented or amended and on each date on which the aggregate nominal amount of the Programme is increased in accordance with clause 12.
- (5) Except to the extent as may be acknowledged by the Dealers in sub-clause (3), representations, warranties and undertakings contained in this clause shall continue in full force and effect notwithstanding the actual or constructive knowledge of any Dealer with respect to any of the matters referred to in the representations, warranties and undertakings set out above, any investigation by or on behalf of the Dealers or completion of the subscription and issue of any Notes.

5. UNDERTAKINGS OF THE ISSUERS

(1) Notification of material developments

- (a) The relevant Issuer and the Guarantor (if applicable) shall promptly after becoming aware of the occurrence thereof notify each Dealer of any Event of Default or any condition, event or act which would after an issue of Notes (or would with the giving of notice and/or the lapse of time) constitute an Event of Default or of any breach of the representations and warranties or undertakings contained in the Agreements and shall take such steps as may reasonably be requested by the Dealers or, in relation to any specific Tranche, the relevant Dealer or the Lead Manager on behalf of the relevant Dealers, respectively, (and in such case prior to the Issue Date) to remedy and/or publicise the same.
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- (b) If, following the Agreement Date and before the Issue Date of the relevant Notes, the relevant Issuer becomes aware that the conditions specified in clause 3(2) will not be satisfied in relation to that issue, such Issuer shall forthwith notify the relevant Dealer (except as otherwise specifically provided) to this effect giving full details thereof. In such circumstances, the relevant Dealer shall be entitled (but not bound) by notice to the relevant Issuer to be released and discharged from its obligations under the agreement reached under clause 2.

(2) **Updating of Offering Circular**

- (a) On or before each anniversary of the date of this Agreement, the Issuers shall, prior to the first issue of Notes falling on or after the first anniversary of the date of the most recent Offering Circular, update or amend the Offering Circular (following consultation with the Arranger who will consult with the Dealers) by the publication of a supplement thereto or a new Offering Circular, in a form reviewed by the Dealers.
- (b) The Offering Circular shall, as specified therein, be deemed to incorporate by reference therein the most recently published audited consolidated financial statements of the Group and, if published later, the most recently published interim consolidated financial statements (if any) of the Group provided that such financial statements will not form a part of the Listing Particulars. Upon any new financial statements being incorporated in the Offering Circular as aforesaid or upon the publication of a revision, supplement or amendment to the Offering Circular, the Issuers shall promptly supply to each Dealer and the Agent and in such number of copies of such financial statements, revision, supplement or amendment as each Dealer or the Agent (as the case may be) may reasonably request. Until a Dealer receives such financial statements, revision, supplement or amendment, the definition of "**Offering Circular**" in clause 1(1) shall, in relation to such Dealer, mean the Offering Circular prior to the receipt by such Dealer of such financial statements or the publication of such revision, supplement or amendment.
- (c) If the terms of the Programme are modified or amended in a manner which would make the Offering Circular inaccurate or misleading, a new Offering Circular will be prepared in a form approved by the Dealers, such approval not to be unreasonably withheld or delayed.

(3) **Listing**

Each Issuer:

- (a) confirms that it has authorised the Authorised Adviser to make or cause to be made, and the Authorised Adviser shall make or cause to be made, an application on behalf of and at the expense of the Issuers for the Programme to be listed on the London Stock Exchange;
- (b) agrees and undertakes that it will, in accordance with section 83 of the FSMA, arrange to deliver the Listing Particulars to the Registrar of Companies in England and Wales; and
- (c) shall comply with section 81 of the FSMA (if applicable) and the Listing Rules in that regard and shall supply to each Dealer such number of copies of supplementary listing particulars as such Dealer may reasonably request.
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In connection with such application in respect of any Series of Notes which is intended to be so listed, the relevant Issuer shall endeavour to obtain the listing as promptly as practicable and the relevant Issuer and the Guarantor (if applicable) shall furnish or procure to be furnished any and all documents, instruments, information and undertakings and publish all advertisements or other material as may be necessary or advisable in order to obtain and maintain (whilst such Notes are outstanding) such listing.

If in relation to any issue of Notes, it is agreed between the relevant Issuer and, in the case of an issue by RF, RF and RG and the relevant Dealer or the Lead Manager, as the case may be, to list or admit to trading the Notes on a Stock Exchange, the relevant Issuer and, in the case of Notes issued by RF, failing RF, RG undertakes to use its reasonable endeavours to obtain and maintain the listing or admission to trading of the Notes on that Stock Exchange. If any Notes cease to be listed or admitted to trading on the relevant Stock Exchange, the relevant Issuer shall use its reasonable endeavours promptly to list or admit to trading the Notes on another stock exchange which is commonly used for the quotation or listing of debt securities as it may decide, with the approval of the relevant Dealer or Lead Manager, as the case may be.

Each Issuer and the Guarantor (if applicable) shall comply with the rules of each relevant Stock Exchange (or any other relevant authority or authorities) and shall otherwise comply with any undertakings given by it from time to time to the relevant Stock Exchange (or any other relevant authority or authorities) in connection with any Notes issued or guaranteed (if applicable) by it listed on such Stock Exchange or the listing thereof and, without prejudice to the generality of the foregoing, shall furnish or procure to be furnished to the relevant Stock Exchange (or any other relevant authority or authorities) all such information as the relevant Stock Exchange (or any other relevant authority or authorities) may require in connection with the listing on such Stock Exchange of any such Notes.

(4) The Agreements

Each of RG and RF undertakes that it will not:

- (a) without prior consultation with the Dealers, terminate any of the Agreements or effect or permit to become effective any amendment to any such Agreement which, in the case of an amendment, would or might adversely affect the interests of any Dealer or any holder of Notes issued after the date of such amendment; or
- (b) without prior consultation with the Dealers, appoint a different Trustee under the Trust Deed; or
- (c) without prior consultation with the Dealers, appoint a different Agent under the Agency Agreement,

and RG will promptly notify each of the Dealers of any termination of, or amendment to, any of the Agreements and of any change in the Trustee under the Trust Deed and/or the Agent under the Agency Agreement.

(5) Lawful compliance

Each Issuer and the Guarantor (if applicable) will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled in the United Kingdom and, to the best of its knowledge and belief, elsewhere (including, without limitation, the obtaining of all necessary consents) so that it may lawfully comply with its obligations under all Notes issued or guaranteed (if applicable) by it, the Agreements and, further, so that it may comply with any applicable laws, regulations, Directives and guidelines from time to time promulgated by any governmental and regulatory authorities or stock exchange relevant in the context of the issue of Notes.

(6) **Authorised representative**

Each Issuer will notify the Dealers immediately in writing if any of the persons named in the list referred to in paragraph 3 of Part I of the Initial Documentation List ceases to be authorised to take action on its behalf or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Dealers that such person has been so authorised.

(7) **Auditors' comfort letters**

RF and RG will (i) at the time of the preparation of the initial Offering Circular, (ii) thereafter upon each occasion when the Offering Circular is updated or amended pursuant to clause 5(2)(a) and on each occasion when the Offering Circular is revised, supplemented or amended (insofar as such revision, supplement, amendment or update concerns or contains financial information about such Issuer or the Group) (iii) in the case of Notes issued on a syndicated basis and (iv) at other times whenever so agreed with a Dealer deliver, at the expense of RF and/or RG as the case may be to the Dealers a comfort letter or comfort letters from independent auditors of RF and/or RG, as the case may be, in such form and with such content as the Dealers may reasonably request provided that no such letter or letters will be delivered under paragraph (ii) above if the only revision, supplement or amendment concerned is the publication or issue of any audited financial statements of RF and/or RG, as the case may be. For the avoidance of doubt, no comfort letter will be automatically deliverable on the mere publication of financial information which is incorporated by reference in the Offering Circular.

If at or prior to the time of any agreement to issue and purchase Notes under clause 2 such a request is made with respect to the Notes to be issued, the receipt of the relevant comfort letter or letters in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Notes to that Dealer.

(8) **Information on Noteholders' meetings**

The relevant Issuer will, at the same time as it is despatched, furnish the Dealers with a copy of every notice of a meeting of the holders of the Notes issued by it (or any of them) which is despatched at the instigation of such Issuer and will notify the Dealers immediately upon its becoming aware that a meeting of the holders of the Notes issued by it (or any of them) has otherwise been convened.

(9) **Ratings**

RG undertakes promptly to notify the Dealers of any change in the ratings given by the Credit Rating Agencies of debt issued by or guaranteed by RG or upon it becoming aware that such ratings are listed on "**Creditwatch**" or other similar publication of formal review by the relevant rating agency.

(10) Commercial Paper

In respect of any Tranche of Notes which have a maturity of less than one year, the relevant Issuer will issue such Notes only if the following conditions apply (or the Notes can otherwise be issued without contravention of Section 19 of the FSMA):

- (a) the relevant Dealer covenants in the terms set out in paragraph 2(iii) of Appendix B; and
- (b) the redemption value of each Note is not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and no part of any Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

6. INDEMNITY

(1) Without prejudice to the other rights or remedies of the Dealers, the relevant Issuer and, in the case of Notes issued by RF, RG jointly and severally with RF undertakes to each Dealer that if that Dealer or any Relevant Party relating to that Dealer incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses) (a "Loss") arising out of, in connection with, or based on:

- (a) any failure by the relevant Issuer to issue on the agreed Issue Date any Notes which a Dealer has agreed to purchase; or
- (b) any actual or alleged breach of the representations, warranties and undertakings contained in, or made or deemed to be made by such Issuer or the Guarantor (if applicable) under this Agreement; or
- (c) any untrue or misleading (or allegedly untrue or misleading) statement in, or any omission (or alleged omission) from, the Offering Circular; or
- (d) any untrue or misleading (or allegedly untrue or misleading) statement in any additional written information provided by the relevant Issuer or the Guarantor (if applicable) to the Dealers under clause 7,

the relevant Issuer and/or the Guarantor (if applicable) shall pay to that Dealer on demand an amount equal to such Loss. No Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this clause 6(1).

- (2) In case any action shall be brought against any Relevant Party in respect of which recovery may be sought from the relevant Issuer and/or the Guarantor (if applicable) under this clause 6, the relevant Dealer shall promptly notify the relevant Issuer and the Guarantor (if applicable) in writing but failure to do so will not relieve the relevant Issuer or the Guarantor (if applicable) from any liability under this Agreement.
 - (3) If it so elects within a reasonable time after receipt of the notice referred to in subclause (2), the relevant Issuer and/or the Guarantor (if applicable) may assume the defence of the action with legal advisers chosen by it and approved by the Relevant Party. Notwithstanding such election a Relevant Party may employ separate legal advisers, and the relevant Issuer and/or the Guarantor (if applicable) shall bear the fees and expenses of such separate legal advisers if:
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- (a) the use of the legal advisers chosen by the relevant Issuer or the Guarantor (if applicable) to represent the Relevant Party would present such legal advisers with a conflict of interest;
 - (b) the actual or potential defendants in, or targets of, any such action include both the Relevant Party and the relevant Issuer or the Guarantor (if applicable) and the Relevant Party concludes that there may be legal defences available to it and/or other Relevant Parties which are different from or additional to those available to the relevant Issuer or the Guarantor (if applicable);
 - (c) the relevant Issuer or the Guarantor (if applicable) has not employed legal advisers satisfactory to the Relevant Party to represent the Relevant Party within a reasonable time after notice of the institution of such action; or
 - (d) the relevant Issuer or the Guarantor (if applicable) authorises the Relevant Party to employ separate legal advisers at the expense of the relevant Issuer or the Guarantor (if applicable).

If the relevant Issuer or the Guarantor (if applicable) assumes the defence of the action, neither the relevant Issuer nor the Guarantor (if applicable) shall be liable for any fees and expenses of legal advisers of the Relevant Party incurred thereafter in connection with the action, except as stated above.

- (4) Neither the relevant Issuer nor the Guarantor (if applicable) shall be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed. Neither the relevant Issuer nor the Guarantor (if applicable) shall without the prior written consent of the Relevant Party settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not the Relevant Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Relevant Party from all liability arising out of such claim or action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of the Relevant Party.

7. AUTHORITY TO DISTRIBUTE DOCUMENTS

- (1) Subject to clause 8 below, each Issuer hereby authorises each of the Dealers on behalf of such Issuer and the Guarantor (if applicable) to provide copies of and make oral statements consistent with (i) the Offering Circular, (ii) the relevant Pricing Supplement and (iii) such additional written information as such Issuer or the Guarantor (if applicable) shall provide to the Dealers and approve for the Dealers to use in connection with the Programme.
 - (2) No Dealer is authorised to give any information or make any representation in connection with the offering or sale of any Notes other than those contained in, or consistent with, the Offering Circular, the relevant Pricing Supplement and such additional written information as the relevant Issuer shall be provided to the Dealers or approve for the Dealers to use as contemplated by clause 7(1) above.
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8. DEALERS' UNDERTAKINGS

- (1) Each Dealer undertakes to comply with the restrictions and agreements set out in Appendix B hereto unless otherwise agreed with the relevant Issuer.
- (2) Each Dealer undertakes with the relevant Issuer and the Guarantor (if applicable) that it will indemnify and hold harmless such Issuer and Guarantor (if applicable), each of their respective affiliates and each person who controls such Issuer and the Guarantor (if applicable) (within the meaning of section 15 of the Securities Act or section 20 of the Exchange Act) and each of their respective directors, officers, employees and agents from and against any and all losses, liabilities, costs, claims, damages, expenses (including, but not limited to, legal costs and expenses reasonably incurred) or demands (or actions in respect thereof) which any of them may incur or which may be made against any of them, insofar as such losses, liabilities, costs, claims, damages, expenses or demands (or actions in respect thereof) arise out of, in relation to or in connection with any failure by such Dealer to comply with the restrictions and agreements set out in Appendix B hereto. The provisions of sub-clauses 6(2) and 6(3) of this Agreement shall apply *mutatis mutandis* to this sub-clause 8(2).

9. FEES, EXPENSES AND STAMP DUTIES

The relevant Issuer (failing whom the Guarantor, in the case of Notes to be issued by RF) undertakes that it will:

- (a) pay to each Dealer all commissions agreed between the relevant Issuer and such Dealer in connection with the sale of any Notes to that Dealer (and any value added or other tax thereon);
 - (b) pay (together with any value added tax or other tax thereon):
 - (i) the fees and expenses of its legal advisers and auditors;
 - (ii) the cost of listing and maintaining the listing of any Notes which are to be listed on a Stock Exchange;
 - (iii) the cost of obtaining any credit rating for the Notes;
 - (iv) the fees and expenses of the Trustee and the agents appointed under the Agency Agreement; and
 - (v) all expenses in connection with the establishment of the Programme including, but not limited to, the preparation, printing, delivery and distribution of the Offering Circular and the cost of any publicity or advertising agreed by the relevant Issuer and in the case of an issue by RF, RF and RG;
 - (c) pay to J.P. Morgan Securities Ltd. the fees and disbursements of the legal advisers appointed to represent the Dealers and the Trustee (including any value added tax or other tax thereon) in connection with the establishment of the Programme; and
 - (d) pay promptly, and in any event before any penalty becomes payable, any United Kingdom, Luxembourgish or Belgian stamp, documentary, registration or similar duty or tax (including any stamp duty reserve tax) payable in connection with the entry into, performance (including any transaction carried out pursuant to this Agreement), enforcement or admissibility in evidence of any Note, any of the Agreements, any Pricing Supplement or any communication pursuant thereto or on any exchange of the Temporary Global Note for a Permanent Global Note or of a Global Note for Definitive Notes.
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10. TERMINATION OF APPOINTMENT OF DEALERS

The Issuers and the Guarantor (if applicable) or (as to itself) a Dealer may terminate the arrangements described in this Agreement by giving not less than 30 days' written notice to the other parties hereto. The relevant Issuer and the Guarantor (if applicable) may terminate the appointment of a Dealer or Dealers by giving not less than 30 days' written notice to such Dealer or Dealers (with a copy promptly thereafter to all the other Dealers, the Trustee and the Agent). Termination shall not affect any rights or obligations (including but not limited to those arising under clauses 6, 8 and/or 9) which have accrued at the time of termination or which accrue thereafter in relation to any act or omission or alleged act or omission which occurred prior to such time. In addition, if any such termination occurs after the relevant Issuer has accepted an offer to subscribe or procure the subscription of Notes and prior to the Issue Date in respect thereof, the obligations of such Issuer under clauses 2 and 3 shall also remain in effect.

11. APPOINTMENT OF NEW DEALERS

- (1) Nothing in this Agreement shall prevent the Issuers and the Guarantor from appointing one or more New Dealers for the duration of the Programme or, with regard to an issue of a particular Tranche of Notes, the relevant Issuer from appointing one or more New Dealers for the purposes of that Tranche, in either case upon the terms of this Agreement and provided that, unless such appointment is effected pursuant to a Subscription Agreement:
 - (a) any New Dealer shall have first delivered to the relevant Issuer and Guarantor an appropriate Dealer Accession Letter; and
 - (b) the relevant Issuer and Guarantor shall have delivered to such New Dealer an appropriate Confirmation Letter.
 - (2) Upon receipt of the relevant Confirmation Letter or execution of the relevant Subscription Agreement, as the case may be, each such New Dealer shall, subject to the terms of the relevant Dealer Accession Letter or the relevant Subscription Agreement, as the case may be, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer hereunder provided further that, except in the case of the appointment of a New Dealer for the duration of the Programme, following the Issue Date of the relevant Tranche, the relevant New Dealer shall have no further such authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of such Tranche.
 - (3) The Issuers shall promptly notify the other Dealers, the Trustee and the Agent of any appointment of a New Dealer for the duration of the Programme by supplying to such parties a copy of any Dealer Accession Letter and Confirmation Letter. Such notice shall be required to be given in the case of an appointment of a New Dealer for a particular Tranche of Notes to the Trustee and the Agent only.
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12. INCREASE IN THE AGGREGATE NOMINAL AMOUNT OF THE PROGRAMME

- (1) From time to time the Issuers may wish to increase the aggregate nominal amount of the Notes that may be issued under the Programme. In such circumstances, the Issuers may give notification of such an increase (subject as set out in subclause (2)) by delivering to the Authorised Adviser and any other Listing Agent and the Dealers with a copy to the Trustee and the Agent a letter substantially in the form set out in Appendix D hereto. Upon the date specified in such notice (which date may not be earlier than seven London business days after the date the notice is given) and subject to satisfaction of the conditions precedent set out in subclause (2), all references in the Agreements to a Euro Medium Term Note Programme of a certain nominal amount shall be deemed to be references to a Euro Medium Term Note Programme of the increased nominal amount.
- (2) Notwithstanding subclause (1), the right of the Issuers to increase the aggregate nominal amount of the Programme shall be subject to each Dealer having received and found satisfactory all the documents and confirmations described in Part II of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase as are agreed between the Issuers and the Dealers), and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require, including, without limitation, the production of a supplementary Offering Circular by the Issuers and any further or other documents required by the relevant Stock Exchange for the purpose of listing any Notes to be issued on the relevant Stock Exchange. The Arranger shall circulate to the Dealers all the documents and confirmations described in Part II of the Initial Documentation List and any further conditions precedent so required. Any Dealer must notify the Arranger and the Issuers within ten London business days of receipt if it considers, in its reasonable opinion, such documents, confirmations and, if applicable, such further conditions precedent to be unsatisfactory and, in the absence of such notification, such Dealer shall be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

13. STATUS OF THE DEALERS AND THE ARRANGER

Each of the Dealers agrees that the Arranger has only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Programme and has no responsibility to it for (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in the Offering Circular, any Pricing Supplement, this Agreement or any information provided in connection with the Programme or (b) the nature and suitability to it of all legal, tax and accounting matters and all documentation in connection with the Programme or any Tranche.

14. COUNTERPARTS

This Agreement may be signed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.

15. COMMUNICATIONS

- (1) All communications shall be by telex, fax or letter delivered by hand or (but only where specifically provided in the Procedures Memorandum) by telephone. Each communication shall be made to the relevant party at the telex number, fax number or address or telephone number and, in the case of a communication by telex, fax or letter, marked for the attention of, or (in the case of a communication by telephone) made to, the person or department from time to time specified in writing by that party to the other for the purpose. The initial telephone number, telex number, fax number and person(s) or department so specified by each party are set out in the Procedures Memorandum.
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- (2) A communication shall be deemed received (if by telex) when a confirmed answerback is received at the end of the transmission, (if by fax) when an acknowledgement of receipt is received, (if by telephone) when made or (if by letter) when delivered, in each case in the manner required by this clause. However, if a communication is received after business hours on any business day or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective on the next business day in the place of receipt. Every communication shall be irrevocable save in respect of any manifest error therein.

16. BENEFIT OF AGREEMENT

- (1) This Agreement shall be binding upon and shall inure for the benefit of the Issuers, the Guarantor and each Dealer and their respective successors and permitted assigns.
- (2) A Dealer may only assign or transfer its rights or obligations under this Agreement with the prior written consent of the Issuers (such consent not to be unreasonably withheld) except for an assignment and/or transfer of all of a Dealer's rights and obligations hereunder in whatever form such Dealer determines may be appropriate to a partnership, corporation, trust or other organisation in whatever form that may succeed to, or to which the Dealer transfers, all or substantially all of the Dealer's assets and business and that assumes such obligations by contract, operation of law or otherwise. Upon any such transfer and assumption of obligations such Dealer shall be relieved of and fully discharged from all obligations under this Agreement, whether such obligations arose before or after such transfer and assumption.

17. CALCULATION AGENT

- (1) In the case of any Series of Notes which require the appointment of a Calculation Agent the Agent shall act as Calculation Agent, unless the relevant Dealer or, as the case may be, the Lead Manager requests the relevant Issuer to appoint such Dealer or Lead Manager, or a person nominated by such Dealer or Lead Manager (a "**Nominee**"), as Calculation Agent.
- (2) Should such a request be agreed by the relevant Issuer the appointment of that Dealer, Lead Manager or Nominee shall be automatic upon the issue of the relevant Series of Notes and shall, except as agreed, be on the terms set out in the Calculation Agency Agreement set out in Schedule 1 to the Agency Agreement, and no further action shall be required to effect the appointment of such Dealer, Lead Manager or Nominee as Calculation Agent in relation to that Series of Notes, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include such Series. The name of the Dealer, Lead Manager or Nominee so appointed will be entered in the applicable Pricing Supplement.

18. STABILISATION

In connection with the distribution of any Notes, the Dealer (if any) designated as stabilising manager in the applicable Pricing Supplement or any person acting for him may over-allot or effect transactions with a view to supporting the market price of such Notes and/or any associated securities at a level higher than that which might otherwise prevail for a limited period after the issue date, but in doing so such Dealer or any such person acting for him shall act as principal and not as agent of the relevant Issuer or, if applicable, the Guarantor. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Any loss resulting from over-allotment and stabilisation shall be borne, and any net profit arising therefrom shall be retained, by the stabilising manager for its own account.

The Issuers confirm that they have been informed of the existence of the informational guidance published by the Financial Services Authority in relation to stabilisation.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

20. GOVERNING LAW

This Agreement and every agreement for the issue and purchase of Notes as referred to in clause 2 shall be governed by, and construed in accordance with, the laws of England.

APPENDIX A

INITIAL DOCUMENTATION LIST

Part I

1. A certified copy of the Memorandum and Articles of Association of RF and RG.
 2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of RF and RG:
 - (a) to approve its entry into the Agreements, the creation of the Programme and the issue of Notes;
 - (b) to authorise appropriate persons to execute each of the Agreements and any Notes and to take any other action in connection therewith; and
 - (c) to authorise appropriate persons to enter into agreements with any Dealer on behalf of RF and/or RG in connection with the issue of Notes in accordance with clause 2 of this Agreement.
 3. A certified list of the names, titles and specimen signatures of the persons authorised on behalf of RF and RG in accordance with paragraph 2(c) above.
 4. Certified copies of any other governmental or other consents, authorisations and approvals required for RF and RG to issue Notes and for RG to give the Guarantee, for RF and RG to execute and deliver the Agreements and for RF and RG to fulfil their respective obligations under the Agreements.
 5. Confirmation that one or more master Temporary Global Notes and master Permanent Global Notes with the Guarantee enfacéd thereon (from which copies can be made for each particular issue of Notes), duly executed by a person or persons authorised to take action on behalf of RF and/or RG as specified in paragraph 2(b) above, have been delivered to the Agent.
 6. A legal opinion addressed to each of the Dealers and the Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Trustee may reasonably require, from Linklaters, legal advisers to RF and RG as to English law.
 7. A conformed copy of each Agreement and confirmation that executed copies of such documents have been delivered, in the case of the Trust Deed, to the Trustee and, in the case of the Agency Agreement, to the Trustee and the Agent (for itself and the other agents party thereto).
 8. A printed final version of the Offering Circular and the Procedures Memorandum.
 9. Confirmation from the Authorised Adviser that the London Stock Exchange will list Notes to be issued under the Programme.
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10. Comfort letters from PricewaterhouseCoopers as independent auditors of RF and RG in such form and with such content as the Dealers may reasonably request.
 11. Confirmation that the Programme has been rated by the Credit Rating Agencies.
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Part II

1. A certified copy of the Memorandum and Articles of Association of RF and RG or confirmation that they have not been changed since they were last submitted to the Dealers.
 2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of RF and RG to approve the increase in the amount of the Programme.
 3. Certified copies of any other governmental or other consents, authorisations and approvals required for the increase.
 4. Confirmation that one or more master Temporary Global Notes and master Permanent Global Notes with the Guarantee enfacéd thereon (from which copies can be made for each particular issue of Notes), duly executed by a person or persons authorised to take action on behalf of RF and RG as specified in paragraph 2(b) of Part I of the Initial Documentation List, have been delivered to the Agent.
 5. A legal opinion addressed to each of the Dealers and the Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Trustee may reasonably require, from Linklaters, legal advisers to RF and RG as to English law.
 6. A printed final version of the Offering Circular.
 7. Confirmation from the Authorised Adviser that the London Stock Exchange will list Notes to be issued under the increased Programme.
 8. Comfort letters from PricewaterhouseCoopers as independent auditors of RF and RG in such form and with such content as the Dealers may reasonably request.
 9. Confirmation from the Credit Rating Agencies that there has been no change in the rating assigned by them to the Programme as a result of the increase.
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APPENDIX B**SELLING RESTRICTIONS****1. United States**

- (1) The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer represents and agrees that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and certify to the Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Agent agrees to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this paragraph 1(1) have the meanings given to them by Regulation S.

- (2) Each Dealer represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.
- (3) In addition in respect of Notes where TEFRA D is specified in the applicable Pricing Supplement:
- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), each Dealer (a) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (b) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
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- (b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
 - (c) if it is a United States person, each Dealer represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
 - (d) with respect to each affiliate that acquires Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf.

Terms used in this paragraph 1(2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

- (4) In respect of Notes where TEFRA C is specified in the applicable Pricing Supplement, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes.
- (5) Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

2. United Kingdom

Each Dealer represents and agrees that:

- (i) in relation to Notes which have a maturity of one year or more and which are to be admitted to the Official List, it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part VI of the FSMA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the FSMA;
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- (ii) in relation to Notes which have a maturity of one year or more and which are not to be admitted to the Official List, it has not offered or sold and, prior to the expiry of the period of six months from the Issue Date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
 - (iii) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
 - (iv) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor (if applicable); and
 - (v) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

3. Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**") and each Dealer agrees that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except in compliance with the Securities and Exchange Law and any other applicable laws and regulations of Japan.

4. Germany

Each Dealer acknowledges that the Offering Circular is not a sales prospectus within the meaning of the German Prospectus Act of 13th December, 1990 (*Verkaufsprospektgesetz*) as amended and that any primary issue of Notes in Germany is subject to, and each Dealer undertakes to comply with, the restrictions regarding, in particular but not limited to, offerings to the public provided in the German Prospectus Act of 13th December, 1990 (*Verkaufsprospektgesetz*) as amended or any other law applicable in Germany governing the issue, offering and sale of securities.

5. The Netherlands

Each Dealer represents and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in The Netherlands any Notes with a denomination of less than €50,000 (or its foreign currency equivalent) other than to persons who trade or invest in securities in the conduct of a profession or business (which include banks, stockbrokers, insurance companies, pension funds, other institutional investors and finance companies and treasury departments of large enterprises) unless one of the other exemptions from or exceptions to the prohibition contained in article 3 of the Dutch Securities Transactions Supervision Act 1995 ("*Wet toezicht effectenverkeer 1995*") is applicable and the conditions attached to such exemption or exception are complied with. In addition, transfer requirements may apply to Zero Coupon Notes and other Notes which qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*).

6. General

These selling restrictions may be modified by the agreement of the relevant Issuer and in the case of an issue by RF, RF and RG and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to the Offering Circular.

Other than in the United Kingdom, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer agrees that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the relevant Issuer and in the case of an issue by RF, RF and RG nor any other Dealer shall have responsibility therefor.

APPENDIX C

PART I

FORM OF DEALER ACCESSION LETTER – PROGRAMME

[Date]

To: **Reuters Group PLC**
Reuters Finance PLC
(the "Issuers")

Dear Sirs,

Reuters Group PLC and Reuters Finance PLC
£1,000,000,000
Euro Medium Term Note Programme

We refer to the Amended and Restated Programme Agreement dated 7th November, 2003 entered into in respect of the above Euro Medium Term Note Programme and made between the Issuer and the Dealers party thereto (which agreement, as amended, supplemented or restated from time to time, is herein referred to as the "**Programme Agreement**").

Conditions Precedent

We confirm that we are in receipt of the documents referenced below:

- (i) a copy of the Programme Agreement;
- (ii) a copy of current versions of all documents referred to in Part I of Appendix A of the Programme Agreement; and
- (iii) a reliance letter from the independent auditors of the Issuers,

and have found them to our satisfaction.

For the purposes of the Programme Agreement our notice details are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the appointment by the Issuers of us as a Dealer under the Programme Agreement we hereby undertake, for the benefit of the Issuers and each of the other Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully,
[Name of New Dealer]

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent
The other Dealers

PART II

FORM OF CONFIRMATION LETTER – PROGRAMME

[Date]

To: [Name and address of New Dealer]

Dear Sirs,

Reuters Group PLC and Reuters Finance PLC
£1,000,000,000
Euro Medium Term Note Programme

We refer to the Amended and Restated Programme Agreement dated 7th November, 2003 (such agreement, as amended, supplemented or restated from time to time, the "**Programme Agreement**") entered into in respect of the above Euro Medium Term Note Programme and hereby acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We hereby confirm that, with effect from the date hereof, you shall become a Dealer under the Programme Agreement in accordance with clause 11(2) of the Programme Agreement.

Yours faithfully,

Reuters Group PLC

By:

Reuters Finance PLC

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent
The other Dealers

PART III

FORM OF DEALER ACCESSION LETTER – NOTE ISSUE

[Date]

To: [Reuters Group PLC]/
[Reuters Finance PLC]
(the "**Issuer**")

Dear Sirs,

[Reuters Group PLC]/[Reuters Finance PLC]
[Description of issue]
(the "Notes**")**

We refer to the Amended and Restated Programme Agreement dated 7th November, 2003 and made between the Issuer and the Dealers party thereto (which agreement, as amended, supplemented or restated from time to time, is herein referred to as the "**Programme Agreement**").

Conditions Precedent

We confirm that we are in receipt of the documents referenced below:

- (i) a copy of the Programme Agreement; and
 - (ii) a copy of current versions of such of the other documents referred to in Part I of Appendix A of the Programme Agreement as we have requested,
- and have found them to our satisfaction or (in the case of the documents referred to in (ii) above) have waived such production.

For the purposes of the Programme Agreement our notice details are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the appointment by the Issuer of us as a Dealer under the Programme Agreement in respect of the issue of the Notes we hereby undertake, for the benefit of the Issuer and each of the other Dealers, that, in relation to the issue of the Notes, we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully,

[Name of New Dealer]

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

PART IV

FORM OF CONFIRMATION LETTER – NOTE ISSUE

[Date]

To: [Name and address of New Dealer]

Dear Sirs,

[Reuters Group PLC]/[Reuters Finance PLC]
[Description of issue]
(the "Notes")

We refer to the Amended and Restated Programme Agreement dated 7th November, 2003 (such agreement, as amended, supplemented or restated from time to time, the "**Programme Agreement**") and hereby acknowledge receipt of your Dealer Accession Letter to us dated [*specify*].

We hereby confirm that, with effect from the date hereof, in respect of the issue of the Notes, you shall become a Dealer under the Programme Agreement in accordance with the provisions of clause 11(2) of the Programme Agreement.

Yours faithfully,

[Reuters Group PLC]/[Reuters Finance PLC]

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

APPENDIX D

**LETTER REGARDING INCREASE IN THE NOMINAL AMOUNT
OF THE PROGRAMME**

[Date]

To: The Dealers and the Authorised Adviser (as those expressions are defined in the Amended and Restated Programme Agreement dated 7th November, 2003, as amended, supplemented or restated from time to time, (the "**Programme Agreement**"))

Dear Sirs,

**Reuters Group PLC and Reuters Finance PLC
Euro Medium Term Note Programme**

We hereby require, pursuant to clause 12(1) of the Programme Agreement, that the aggregate nominal amount of the above Programme be increased to £ [specify] from [specify date which is no earlier than seven London business days after the date the notice is given] whereupon (but subject as provided in the next paragraph) all references in the Agreements will be deemed amended accordingly.

We understand that this increase is subject to the satisfaction of the condition set out in clause 12(2) of the Programme Agreement namely that each Dealer shall have received and found satisfactory all the documents and confirmations described in the Part II of the Initial Documentation List (with such changes as may be relevant, with reference to the circumstances at the time of the proposed increase, as are agreed between the Issuers and the Dealers) and the delivery of any further conditions precedent that any of the Dealers may reasonably require.

You must notify the Arranger and ourselves within ten London business days of receipt by you of those documents and confirmations and, if applicable, further conditions precedent if you consider (in your reasonable opinion) such documents, confirmations and, if applicable, such further conditions precedent to be unsatisfactory and, in the absence of such notification, you will be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

Terms used in this letter have the meanings given to them in the Programme Agreement.

Yours faithfully,
Reuters Group PLC

By:

Reuters Finance PLC

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

APPENDIX E

FORM OF SUBSCRIPTION AGREEMENT

[REUTERS GROUP PLC/REUTERS FINANCE PLC]

[DESCRIPTION OF ISSUE]

[DATE]

To: [Names of Dealers]
(the "**Managers**")

c/o [Name of Lead Manager]
(the "**Lead Manager**")

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

Dear Sirs,

[Reuters Group PLC]/[Reuters Finance PLC] (the "**Issuer**") proposes to issue [DESCRIPTION OF ISSUE] (the "**Notes**") pursuant to the £ [] Euro Medium Term Note Programme established by it. [The Notes will be unconditionally and irrevocably guaranteed by Reuters Group PLC (the "**Guarantor**").] The terms of the issue shall be as set out in the form of Pricing Supplement attached to this Agreement as Annexe A.

This Agreement is supplemental to the Amended and Restated Programme Agreement (the "**Programme Agreement**") dated 7th November, 2003 made between the Issuer and the Dealers party thereto. All terms with initial capitals used herein without definition have the meanings given to them in the Programme Agreement.

We wish to record the arrangements agreed between us in relation to the issue:

1. This Agreement appoints each Manager which is not a party to the Programme Agreement (each a "**New Dealer**") as a New Dealer in accordance with the provisions of clause 11 of the Programme Agreement for the purposes of the issue of the Notes. The Lead Manager confirms that it is in receipt of the documents referenced below:
 - (i) a copy of the Programme Agreement; and
 - (ii) a copy of such of the documents referred to in Part I of Appendix A of the Programme Agreement as the Lead Manager (on behalf of the Managers) has requested and has confirmed with each New Dealer that it has found them to be satisfactory or (in the case of any or all of the documents referred to in (ii)) has waived such production.
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For the purposes of the Programme Agreement the details of the Lead Manager for service of notices are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the Issuer appointing each New Dealer as a Dealer in respect of the Notes under the Programme Agreement, each New Dealer hereby undertakes, for the benefit of the Issuer, the [Guarantor, the]Lead Manager (for itself and each of the other Dealers) and the Managers, that, in relation to the issue of the Notes, it will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement, a copy of which it acknowledges it has received from the Lead Manager. The Issuer [and the Guarantor] hereby confirm[s] that each New Dealer shall be vested with all authority, rights, powers, duties and obligations of a Dealer in relation to the issue of the Notes as if originally named as a Dealer under the Programme Agreement provided that following the Issue Date of the Notes each New Dealer shall have no further such authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of the Notes.

2. Subject to the terms and conditions of the Programme Agreement and this Agreement the Issuer hereby agrees to issue the Notes and the Managers jointly and severally agree to subscribe or procure subscribers for the Notes at a price of [specify] per cent. of the principal amount of the Notes (the "**Purchase Price**"), being the issue price of [specify] per cent. less a selling commission of [specify] per cent. of such principal amount and a combined management and underwriting commission of [specify] per cent. of such principal amount.
 3. The settlement procedures set out in Part [1/2]of Annexe A to the Procedures Memorandum shall apply as if set out in this Agreement provided that, for the purposes of this Agreement:
 - (i) the sum payable on the Issue Date shall represent the Purchase Price less any amount payable in respect of Managers' expenses as provided in the agreement referred to in clause 4 of this Agreement);
 - (ii) "**Issue Date**" means [specify] a.m. ([specify] time) on [specify] or such other time and/or date as the Issuer and the Lead Manager on behalf of the Managers may agree; and
 - (iii) "**Payment Instruction Date**" means the Issue Date unless there is to be a pre-closing for the issue in which case it means the business day (being a day on which banks and foreign exchange markets are open for business in London) prior to the Issue Date.
 4. The arrangements in relation to expenses have been separately agreed between the Issuer[, the Guarantor] and the Lead Manager.
 5. The obligation of the Managers to purchase the Notes is conditional upon:
 - (i) the conditions set out in clause 3(2) (other than that set out in clause 3(2)(e)) of the Programme Agreement being satisfied as of the Payment Instruction Date (on the basis that the references therein to "**relevant Dealer**" shall be construed as references to the Lead Manager); and
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- (ii) the delivery to the Lead Manager on the Payment Instruction Date of:
- (A) a legal opinion addressed to the Managers and the Trustee dated the Payment Instruction Date in such form and with such contents as the Lead Manager, on behalf of the Managers, may reasonably require from Linklaters, the legal advisers to the Issuer [and the Guarantor] as to English law;
 - (B) a certificate dated as at the Payment Instruction Date signed by a duly authorised officer of the Issuer [and a certificate dated as at the Payment Instruction Date signed by a duly authorised officer of the Guarantor] giving confirmation to the effect stated in paragraph (i) of this clause; and
 - (C) [a] comfort letter[s] dated the Payment Instruction Date from the independent auditors of [the Issuer the Guarantor], in such form and with such content as the Managers may reasonably request.

If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on such date and the parties hereto shall be under no further liability arising out of this Agreement (except for any liability of the Issuer[, or failing whom, the Guarantor] in relation to expenses as provided in the agreement referred to in clause 4 and except for any liability arising before or in relation to such termination), provided that the Lead Manager, on behalf of the Managers, may in its discretion waive any of the aforesaid conditions (other than the condition precedent contained in clause 3(2)(c) of the Programme Agreement) or any part of them.

- 6. The Lead Manager, on behalf of the Managers, may, by notice to the Issuer and after consultation with the Issuer if practicable, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer, if in the opinion of the Lead Manager, there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market and, upon such notice being given, the parties to this Agreement shall (except for any liability of the Issuer[, or failing whom, the Guarantor] in relation to expenses as provided in the agreement referred to in clause 4 of this Agreement and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Agreement.
 - 7. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
 - 8. Clause 20 of the Programme Agreement shall also apply to this Agreement as if expressly incorporated herein.
 - 9. This Agreement may be signed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.
-

Please confirm that this letter correctly sets out the arrangements agreed between us.

Yours faithfully,

For: **[Reuters Group PLC]/[Reuters Finance PLC]**

By:

[For: **Reuters Group PLC**

By:]

We agree to the foregoing.

For: *[NAMES OF MANAGERS]*

By:

ANNEXE A TO THE SUBSCRIPTION AGREEMENT

[Form of Pricing Supplement]

SIGNATORIES

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

The Issuers

Reuters Group PLC

By: Sd. Tim Collier

Reuters Finance PLC

By: Sd. Tim Collier

The Guarantor

Reuters Group PLC

By: Sd. Tim Collier

The Dealers

ABN AMRO Bank N.V.

Citigroup Global Markets Limited

Credit Suisse First Boston (Europe) Limited

HSBC Bank plc

J.P. Morgan Securities Ltd.

Morgan Stanley & Co. International Limited

UBS Limited

Each by its duly authorised signatories: Sd. Robin Pitt

DATED 7th November, 2003

REUTERS GROUP PLC
as Issuer and as Guarantor

- and -

REUTERS FINANCE PLC
as Issuer

- and -

CITICORP TRUSTEE COMPANY LIMITED

AMENDED AND RESTATED TRUST DEED

relating to a

£1,000,000,000
Euro Medium Term Note Programme

For the Issuer:

LINKLATERS
One Silk Street
London EC2Y 8HQ

For the Trustee:

ALLEN & OVERY
One New Change
London EC4M 9QQ

TABLE OF CONTENTS

Clause		Page
<u>1</u>	<u>RESTATEMENT AND INTERPRETATION</u>	<u>2</u>
<u>2</u>	<u>ISSUE OF NOTES</u>	<u>11</u>
<u>3</u>	<u>FORM OF NOTES</u>	<u>13</u>
<u>4</u>	<u>FEES, DUTIES AND TAXES</u>	<u>15</u>
<u>5</u>	<u>GUARANTEE AND INDEMNITY OF REUTERS GROUP PLC</u>	<u>15</u>
<u>6</u>	<u>COVENANT OF COMPLIANCE</u>	<u>17</u>
<u>7</u>	<u>Cancellation Of NOTes And Records</u>	<u>17</u>
<u>8</u>	<u>ENFORCEMENT</u>	<u>19</u>
<u>9</u>	<u>PROCEEDINGS, ACTION AND INDEMNIFICATION</u>	<u>19</u>
<u>10</u>	<u>APPLICATION OF MONEYS</u>	<u>19</u>
<u>11</u>	<u>NOTICE OF PAYMENTS</u>	<u>20</u>
<u>12</u>	<u>INVESTMENT BY TRUSTEE</u>	<u>20</u>
<u>13</u>	<u>PARTIAL PAYMENTS</u>	<u>20</u>
<u>14</u>	<u>COVENANTS</u>	<u>20</u>
<u>15</u>	<u>REMUNERATION OF TRUSTEE</u>	<u>24</u>
<u>16</u>	<u>SUPPLEMENT TO TRUSTEE ACTS</u>	<u>25</u>
<u>17</u>	<u>TRUSTEE'S LIABILITY</u>	<u>29</u>
<u>18</u>	<u>TRUSTEE CONTRACTING WITH RG AND RF</u>	<u>29</u>
<u>19</u>	<u>WAIVER, AUTHORISATION AND DETERMINATION</u>	<u>30</u>
<u>20</u>	<u>HOLDER OF DEFINITIVE NOTE ASSUMED TO BE RECEIPHOLDER AND COUPONHOLDER</u>	<u>30</u>
	<u>NO NOTICE TO RECEIPHOLDERS OR COUPONHOLDERS</u>	<u>30</u>
<u>21</u>	<u>SUBSTITUTION</u>	<u>31</u>
<u>22</u>	<u>CURRENCY INDEMNITY</u>	<u>34</u>
<u>23</u>	<u>NEW TRUSTEE</u>	<u>34</u>
<u>24</u>	<u>TRUSTEE'S RETIREMENT AND REMOVAL</u>	<u>35</u>
<u>25</u>	<u>TRUSTEE'S POWERS TO BE ADDITIONAL</u>	<u>35</u>
<u>26</u>	<u>NOTICES</u>	<u>35</u>
<u>27</u>	<u>GOVERNING LAW</u>	<u>36</u>
<u>28</u>	<u>COUNTERPARTS</u>	<u>36</u>
<u>29</u>	<u>CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999</u>	<u>36</u>
 <u>Schedules</u>		
<u>1.</u>	<u>TERMS AND CONDITIONS OF THE NOTES</u>	<u>37</u>
<u>2.</u>	<u>PART I – FORM OF TEMPORARY GLOBAL NOTE</u>	<u>52</u>
	<u>PART II – FORM OF PERMANENT GLOBAL NOTE</u>	<u>64</u>
	<u>PART III – FORM OF DEFINITIVE NOTE</u>	<u>76</u>
	<u>PART IV – FORM OF RECEIPT</u>	<u>83</u>
	<u>PART V – FORM OF COUPON</u>	<u>84</u>
	<u>PART VI – FORM OF TALON</u>	<u>85</u>
	<u>PART VII – FORM OF CERTIFICATE TO BE PRESENTED BY EUROCLEAR OR CLEARSTREAM, LUXEMBOURG</u>	<u>87</u>
<u>3.</u>	<u>PROVISIONS FOR MEETINGS OF NOTEHOLDERS</u>	<u>91</u>

THIS AMENDED AND RESTATED TRUST DEED is made on 7th November, 2003 **BETWEEN:**

- (1) **REUTERS GROUP PLC**, a company incorporated under the laws of England, whose registered office is at 85 Fleet Street, London EC4P 4AJ ("**RG**" and the "**Guarantor**"); and
- (2) **REUTERS FINANCE PLC**, a company incorporated under the laws of England, whose registered office is at 85 Fleet Street, London EC4P 4AJ ("**RF**", and together with RG in its capacity as an issuer, the "**Issuers**" and each an "**Issuer**"); and
- (3) **CITICORP TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the "**Trustee**", which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Noteholders and Couponholders (each as defined below).

WHEREAS:

- (1) By a resolution of the Board of Directors of RG dated 15th December, 1998 RG resolved to establish a £1,000,000,000 Euro Medium Term Note Programme. RG proposes to issue from time to time euro medium term notes up to a maximum nominal amount from time to time outstanding of £1,000,000,000 (subject to increase as provided in the Programme Agreement (as defined below)) (the "**Programme Limit**") pursuant to the said Programme.
 - (2) The accession of RF as an issuer under the Programme and the issue of Notes by RF have been duly authorised by resolutions of the Board of Directors of RF dated 24th October, 2003 and a duly authorised committee of the Board of Directors of RF dated 6th November, 2003.
 - (3) The amendment of the Programme to enable the accession of RF as an issuer thereunder and the giving of the guarantee was approved by a resolution of the Board of Directors of RG dated 21st October, 2003.
 - (4) The Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders and Couponholders upon and subject to the terms and conditions of these presents.
 - (5) RG and the Trustee are parties to a Trust Deed dated 16th December, 1998 (the "**Principal Trust Deed**") relating to the Programme as modified by a First Supplemental Trust Deed dated 30th March, 2001 and as further modified by a Second Supplemental Trust Deed dated 10th April, 2003 between the same parties (both together with the Principal Trust Deed, the "**Original Trust Deed**").
 - (6) Clause 18(B) of the Principal Trust Deed provides that the Trustee may without the consent or sanction of the Noteholders or Couponholders at any time and from time to time concur with RG in making any modification to the Original Trust Deed (inter alia) which in the opinion of the Trustee it may be proper to make provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders.
 - (7) RG has requested the Trustee to concur in making modifications to the Original Trust Deed hereinafter contained.
 - (8) The Trustee, being of the opinion that the modifications referred to in Recital (7) above are not materially prejudicial to the interests of the Noteholders, has agreed to concur with the Issuers in making such modifications and has agreed that notice of such modifications need not be given to the Noteholders.
-

NOW THIS TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1 RESTATEMENT AND INTERPRETATION

- (A) IN respect of all Notes to be issued under the Programme on or after the date hereof, with effect from the date hereof, the provisions of the Original Trust Deed shall be amended and restated and shall take effect in the form set out in this Deed and all references to “the Trust Deed”, “this Deed”, “hereof”, “hereunder” and related expressions in this Deed shall be construed as references to the Original Trust Deed as so amended and restated. This amendment and restatement shall not affect any Notes issued under the Programme prior to the date hereof.
- (B) A Memorandum of this Trust Deed shall be endorsed by the Trustee on the Principal Trust Deed and by RG on its duplicate thereof.
- (C) In these presents unless there is anything in the subject or context inconsistent therewith the following expressions shall have the following meanings:

"**Agency Agreement**" means the Agency Agreement dated 7th November, 2003, as amended and/or supplemented, and/or restated from time to time pursuant to which RG and RF have appointed the Agent and the Paying Agents in relation to all or any Series of the Notes and any other agreement for the time being in force appointing further or other Agents or Paying Agents in relation to all or any Series of the Notes, or in connection with their duties, the terms of which have been approved in writing by the Trustee, together with any agreement for the time being in force amending, replacing, novating, modifying or restating with the prior written approval of the Trustee any of the aforesaid agreements;

"**Agent**" means, in relation to all or any Series of the Notes, Citibank, N.A. at its office at 5 Carmelite Street, London EC4Y 0PA or, if applicable, any successor agent in relation thereto which shall become such pursuant to the provisions of the Agency Agreement or such other agent in relation thereto as may (with the prior written approval of, and on terms previously approved in writing by, the Trustee) from time to time be appointed as such by the relevant Issuer and the Guarantor (if applicable) and (except in the case of the initial Agent) notice of whose appointment has been given to the Noteholders;

"**Appointee**" means any attorney, manager, agent, delegate or other person appointed by the Trustee under these presents;

"**Auditors**" means the auditors for the time being of the Issuers or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these presents, such other firm of accountants as may be nominated or approved by the Trustee for the purposes of these presents;

"**Authorised Signatory of the Issuer**" means (i) any Director of the relevant Issuer or (ii) any other officer of the relevant Issuer authorised by the relevant Issuer to sign any document for the purposes of these presents and notified in writing as such to the Trustee;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Conditions**" means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1 or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Pricing Supplement applicable to the Notes of the relevant Series, in each case as from time to time modified in accordance with the provisions of these presents;

"**Coupon**" means an interest coupon appertaining to a Definitive Note (other than a Zero Coupon Note), such coupon being:

- (i) if appertaining to a Fixed Rate Note, in the form or substantially in the form set out in Section A of Part V of Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (ii) if appertaining to a Floating Rate Note or an Index Linked Interest Note, in the form or substantially in the form set out in Section B of Part V of Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (iii) if appertaining to a Definitive Note which is neither a Fixed Rate Note nor a Floating Rate Note nor an Index Linked Interest Note, in such form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 11;

"**Couponholders**" means the several persons who are for the time being holders of the Coupons and includes, where the context so permits, the Talonholders and references to "**relevant Couponholders**" shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Coupons appertaining to the Notes of such Series;

"**Dealers**" means ABN AMRO Bank N.V., Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, HSBC Bank plc, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited and UBS Limited and any other entity which the relevant Issuer may appoint as a Dealer and notice of whose appointment has been given to the Agent and the Trustee by the relevant Issuer in accordance with the provisions of the Programme Agreement but excluding any entity whose appointment has been terminated or has lapsed in accordance with the provisions of the Programme Agreement and notice of such termination has been given to the Agent and the Trustee by the relevant Issuer in accordance with the provisions of the Programme Agreement and references to a "**relevant Dealer**" or "**relevant Dealer(s)**" mean, in relation to any Tranche or Series of Notes, the Dealer or Dealers with whom the relevant Issuer has agreed the issue of the Notes of such Tranche or Series and "**Dealer**" means any one of them;

"Definitive Note" means a definitive Note issued or, as the case may require, to be issued by the relevant Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) in exchange for either a Temporary Global Note or a Permanent Global Note (all as indicated in the applicable Pricing Supplement), such definitive Note being in the form or substantially in the form set out in Part III of Schedule 2 with such modifications (if any) as may be agreed between the relevant Issuer, the Guarantor (if applicable), the Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Pricing Supplement and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Pricing Supplement endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue;

"Dual Currency Interest Note" means a Note in respect of which payments of interest are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

"Dual Currency Note" means a Dual Currency Interest Note and/or a Dual Currency Redemption Note, as applicable;

"Dual Currency Redemption Note" means a Note in respect of which payments of principal are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System;

"Event of Default" means any of the events specified in Condition 9;

"Extraordinary Resolution" has the meaning set out in paragraph 20 of Schedule 3;

"Fixed Rate Note" means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement);

"Floating Rate Note" means a Note on which interest is calculated at a floating rate payable one-, two-, three-, six- or twelve-monthly or in respect of such other period or on such date(s) as may be agreed between the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement);

"Global Note" means a Temporary Global Note and/or a Permanent Global Note;

"Group" means the Issuers and their Subsidiaries and affiliates;

"Index Linked Interest Note" means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index and/or a formula as the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

"Index Linked Note" means an Index Linked Interest Note and/or an Index Linked Redemption Amount Note, as applicable;

"Index Linked Redemption Amount Note" means a Note in respect of which the amount payable in respect of principal is calculated by reference to an index and/or a formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

"Interest Commencement Date" means, in the case of interest-bearing Notes, the date specified in the applicable Pricing Supplement from (and including) which such Notes bear interest, which may or may not be the Issue Date;

"Interest Payment Date" means, in relation to any Floating Rate Note or Index Linked Interest Note, either:

- (i) the date which falls the number of months or other period specified as the **"Interest Period"** in the applicable Pricing Supplement after the preceding Interest Payment Date or the Interest Commencement Date (in the case of the first Interest Payment Date); or
- (ii) such date or dates as are indicated in the applicable Pricing Supplement;

"Issue Date" means, in respect of any Note, the date of issue and purchase of such Note pursuant to and in accordance with the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s), being in the case of any Definitive Note represented by a Global Note, the same date as the date of issue of the Global Note which initially represented such Note;

"Issue Price" means the price, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued;

"Liability" means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

"London Business Day" has the meaning set out in Condition 4(b);

"Maturity Date" means the date on which a Note is expressed to be redeemable;

"month" means calendar month;

"Note" means a note issued pursuant to the Programme and denominated in such currency or currencies as may be agreed between the relevant Issuer and the relevant Dealer(s) which:

- (i) has such maturity as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant currency; and
 - (ii) has such denomination as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency,
-

and is issued or to be issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and which shall initially be represented by, and comprised in, either (a) a Temporary Global Note which may (in accordance with the terms of such Temporary Global Note) be exchanged for either Definitive Notes or a Permanent Global Note which Permanent Global Note may (in accordance with the terms of such Permanent Global Note) in turn be exchanged for Definitive Notes or (b) a Permanent Global Note which may (in accordance with the terms of such Permanent Global Note) be exchanged for Definitive Notes (all as indicated in the applicable Pricing Supplement) and includes any replacements for a Note issued pursuant to Condition 11 and, where applicable, the Receipts relating thereto;

"**Noteholders**" means the several persons who are for the time being holders of outstanding Notes save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes of such Series (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and shall be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the relevant Issuer and the Guarantor (if applicable) solely in the bearer of such Global Note in accordance with and subject to its terms and the provisions of these presents (or the Trustee in accordance with these presents) and the expressions "**Noteholder**", "**holder of Notes**" and related expressions shall be construed accordingly;

"**notice**" means, in respect of a notice to be given to Noteholders, a notice validly given pursuant to Condition 14;

"**Official List**" has the meaning ascribed thereto in Section 142 of the Financial Services Act 1986;

"**outstanding**" means, in relation to the Notes, all the Notes other than (a) those which have been redeemed in accordance with these presents, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all premium (if any) and interest accrued thereon to the date for such redemption) have been duly paid to the Trustee or to the Agent in the manner provided in the Agency Agreement (and, where appropriate, notice has been given to the relative Noteholders) and remain available for payment against presentation of those Notes and/or, as the case may be, the relative Receipts and/or Coupons, (c) those which have become void under Condition 8, (d) those which have been purchased and cancelled as provided in Condition 6, (e) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes pursuant to Condition 11, (f) any Temporary Global Note to the extent that it shall have been exchanged for Definitive Notes or a Permanent Global Note and any Permanent Global Note to the extent that it shall have been exchanged for Definitive Notes, in each case pursuant to its provisions, and (g) (for the purpose only of ascertaining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued pursuant to Condition 11;

PROVIDED THAT for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the holders of Notes of any one or more Series;
- (ii) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Conditions 9, 10 and 15 and paragraphs 2, 5, 6 and 9 of Schedule 3;
- (iii) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Notes of any Series; and
- (iv) the certification (where relevant) by the Trustee as to whether any of the events mentioned in Condition 9 is, in its opinion, materially prejudicial to the interests of the holders of the Notes of any Series;

those Notes of any Series which are for the time being held by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Partly Paid Notes" means Notes issued on a partly paid basis;

"Paying Agents" means, in relation to all or any Series of the Notes, the several institutions (including where the context permits the Agent) at their respective specified offices or such other or further paying agents at their respective specified offices for all or any Series of the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed and notice of whose appointment has been given to the relevant Noteholders;

"Permanent Global Note" means a global note in the form or substantially in the form set out in Part II of Schedule 2 with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and these presents either in exchange for the whole or part of any Temporary Global Note issued in respect of such Notes or on issue;

"Potential Event of Default" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default;

"Pricing Supplement" has the meaning set out in the Programme Agreement;

"**Programme**" means the Note Programme for the issue of Notes established by, or otherwise contemplated in, the Programme Agreement;

"**Programme Agreement**" means the agreement of even date herewith between RG, RF and the Dealers named therein concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating, modifying or restating such agreement;

"**Receipt**" means a receipt attached on issue to a Definitive Note redeemable in instalments for the payment of an instalment of principal, such receipt being in the form or substantially in the form set out in Part IV of Schedule 2 or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Receipts issued pursuant to Condition 11;

"**Receiptholders**" means the several persons who are for the time being holders of the Receipts and references to "**relevant Receiptholders**" shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Receipts appertaining to the Notes of such Series;

"**Relevant Date**" has the meaning set out in Condition 7;

"**repay**", "**redeem**" and "**pay**" shall each include both the others and cognate expressions shall be construed accordingly;

"**Series**" means a Tranche of the Notes together with any further Tranche or Tranches of the Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions "**Notes of the relevant Series**", "**Series of Notes**" and "**holders of Notes of the relevant Series**" and related expressions shall be construed accordingly;

"**Stock Exchange**" means the London Stock Exchange or any other or further stock exchange(s) on which any Notes may from time to time be listed, and references in these presents to the "**relevant Stock Exchange**" shall, in relation to any Notes, be references to the Stock Exchange on which such Notes are, from time to time, or are intended to be, listed;

"**Subsidiary**" means any company which is for the time being a subsidiary within the meaning of Section 736 of the Companies Act 1985 of Great Britain, as amended;

"**Successor**" means, in relation to the Agent and the other Paying Agents, any successor to any one or more of them in relation to the Notes which shall become such pursuant to the provisions of these presents or the Agency Agreement (as the case may be) and/or such other or further agent and/or other or further paying agents (as the case may be) in relation to the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the former case being within the same city as those for which they are substituted) as may from time to time be nominated, in each case by RG and RF, and (except in the case of the initial appointments and specified offices made under and specified in the Agency Agreement) notice of whose appointment or, as the case may be, nomination has been given to the Noteholders pursuant to Clause 14(xiii) in accordance with Condition 14;

"**Successor in Business**" means in relation to any relevant company any company which, as the result of any amalgamation, merger or reconstruction: (i) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by such relevant company immediately prior thereto; and (ii) carries on, as successor to such relevant company, the whole or substantially the whole of the business carried on by such relevant company immediately prior thereto;

"**Talonholders**" means the several persons who are for the time being holders of the Talons and references to "**relevant Talonholders**" shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Talons appertaining to the Notes of such Series;

"**Talons**" means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, a Definitive Note (other than a Zero Coupon Note), such talons being in the form or substantially in the form set out in Part VI of Schedule 2 or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 11;

"**Temporary Global Note**" means a global note in the form or substantially in the form set out in Part I of Schedule 2 with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and these presents;

"**the London Stock Exchange**" means the London Stock Exchange plc and any successor thereto;

"**these presents**" means this Trust Deed and the Schedules and any Trust Deed supplemental hereto and the Schedules (if any) thereto and the Notes, the Receipts, the Coupons, the Talons, the Conditions and, unless the context otherwise requires, the Pricing Supplements, all as from time to time modified in accordance with the provisions herein or therein contained;

"**Tranche**" means all Notes which are identical in all respects (including as to listing);

"**Trust Corporation**" means a corporation entitled by rules made under the Public Trustee Act 1906 of Great Britain or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

"**Trustee Acts**" means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

"**UK Listing Authority**" means the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986;

"**Zero Coupon Note**" means a Note on which no interest is payable;

words denoting the singular shall include the plural and *vice versa*;

words denoting one gender only shall include the other genders; and

words denoting persons only shall include firms and corporations and *vice versa*.

- (D) (i) All references in these presents to principal and/or principal amount and/or interest in respect of the Notes or to any moneys payable by the relevant Issuer under these presents shall, unless the context otherwise requires, be construed in accordance with Condition 5(f).
- (ii) All references in these presents to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.
- (iii) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- (iv) All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
- (v) All references in these presents to taking proceedings against the relevant Issuer shall be deemed to include references to proving in the winding up of the relevant Issuer.
- (vi) All references to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include references to any additional or alternative clearance system approved by the relevant Issuer, the Agent and the Trustee.
- (vii) Unless the context otherwise requires words or expressions used in these presents shall bear the same meanings as in the Companies Act 1985 of Great Britain.
- (viii) In this Trust Deed references to Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, sub-clauses, paragraphs and sub-paragraphs of this Trust Deed respectively.
- (ix) In these presents tables of contents and Clause headings are included for ease of reference and shall not affect the construction of these presents.
- (E) Words and expressions defined in these presents or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and these presents, these presents shall prevail and, in the event of inconsistency between the Agency Agreement or these presents and the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail.
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- (E) All references in these presents to the "**relevant currency**" shall be construed as references to the currency in which payments in respect of the Notes and/or Receipts and/or Coupons of the relevant Series are to be made as indicated in the applicable Pricing Supplement.
- (F) All references, in these presents to Notes having a "**listing**" or being "**listed**" shall, in relation to the London Stock Exchange, be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities. All references in these presents to "**listing**" and "**listed**" shall include references to "**quotation**" and "**quoted**" respectively.

2 ISSUE OF NOTES

- (A) THE Notes will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Clause 3(5) of the Programme Agreement shall apply.

By not later than 3.00 p.m. (London time) on the London Business Day preceding each proposed Issue Date, the relevant Issuer shall deliver or cause to be delivered to the Trustee a copy of the applicable Pricing Supplement and shall notify the Trustee or cause the Trustee to be notified in writing without delay of the relevant Issue Date and the nominal amount of the Notes to be issued. Upon the issue of the relevant Notes, such Notes shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Trust Deed and on each occasion that legal opinions are furnished to the Dealers and on such other occasions as the Trustee so requests (on the basis that the Trustee considers it prudent in view of a change (or proposed change) in applicable law materially affecting the relevant Issuer, the Guarantor, these presents or the Agency Agreement or the Trustee has other reasonable grounds which shall not include the mere lapse of time), the relevant Issuer or the Guarantor (if applicable) will use all reasonable endeavours to procure that further legal opinions or, where applicable, a further legal opinion (relating, if applicable, to any such change or proposed change) in such form and content as the Trustee may require from legal advisers approved by the Trustee are/is delivered to the Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion in a form satisfactory to the Trustee shall be a further condition precedent to the issue of those Notes.

- (B) As and when the Notes of any Series or any of them or any instalment of principal in respect thereof become(s) due to be redeemed in accordance with the Conditions, the relevant Issuer or the Guarantor (if applicable) shall unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency in immediately available funds the principal amount in respect of the Notes of such Series or the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Notes) shall (subject to the provisions of the Conditions) in the meantime and until redemption in full of the Notes of such Series (as well after as before any judgment or other order of any court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest on the nominal amount of the Notes outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with or specified in, and on the
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dates provided for in, the Conditions (subject to Clause 2(D)) PROVIDED THAT (i) every payment of principal or interest or other sum due in respect of the Notes made to or to the order of the Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relevant covenant by the relevant Issuer in this Clause contained in relation to the Notes of such Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Noteholders or Couponholders (as the case may be); (ii) in the case of any payment of principal made to the Trustee or the Agent after the due date or on or after accelerated maturity following an Event of Default, interest shall continue to accrue on the principal amount of the relevant Notes (except in the case of Zero Coupon Notes, to which the provisions of Condition 6(j) shall apply) at the rates and/or in the amounts aforesaid up to and including the date (being not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Trustee or the Agent) which the Trustee determines to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of such Notes; and (iii) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (ii) above) interest shall accrue on the principal amount of such Note (except in the case of Zero Coupon Notes, to which the provisions of Condition 6(j) shall apply) payment of which has been so withheld or refused at the rates and/or in the amounts aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Note is made or (if earlier) the day after notice is given to the relevant Noteholder (whether individually or in accordance with Condition 14) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made.

(C) At any time after an Event of Default or a Potential Event of Default shall have occurred the Trustee may:

- (i) by notice in writing to the relevant Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents require the Agent and the other Paying Agents pursuant to the Agency Agreement:
 - (a) to act thereafter as Agent and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions of these presents *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of these presents relating to the relevant Notes and available for such purpose) and thereafter to hold all Notes and Coupons and all sums, documents and records held by them in respect of Notes and Coupons on behalf of the Trustee; or
 - (b) to deliver up all Notes and Coupons and all sums, documents and records held by them in respect of Notes and Coupons to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Paying Agent is obliged not to release by any law or regulation; and
 - (ii) by notice in writing to the relevant Issuer and the Guarantor (if applicable) require it to make all subsequent payments in respect of the Notes and Coupons to or to the order of the Trustee and not to the Agent; with effect from the issue of any such notice to the relevant Issuer and the Guarantor (if applicable) and unless and until such notice is withdrawn proviso (i) to sub-clause (B) of this Clause shall cease to have effect.
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At such time as the Trustee shall be satisfied that no Event of Default or Potential Event of Default is continuing the Trustee shall by notice in writing to the relevant Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents pursuant to the Agency Agreement withdraw any notice given pursuant to this sub-clause (C) whereupon any such notice shall cease to apply.

In such circumstances the Trustee shall not be responsible for supervising the proceedings or acts of the Agent and the other Paying Agents.

- (D) If the Floating Rate Notes or Index Linked Interest Notes of any Series become immediately due and repayable under Condition 9 the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 9 except that the rates and/or amounts of interest need not be published.
- (E) All payments in respect of, under and in connection with these presents and the Notes of any Series to the relevant Noteholders and Couponholders shall be made in the relevant currency.
- (F) The relevant Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Noteholders or Couponholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Notes), and so that the same shall be consolidated and form a single Series, with the outstanding Notes of a particular Series.
- (G) The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of Clauses 3 to 22 (both inclusive) and 23(B) and Schedule 3 shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions "**Notes**", "**Noteholders**", "**Receipts**", "**Receiptholders**", "**Coupons**", "**Couponholders**", "**Talons**" and "**Talonholders**" shall be construed accordingly.

3 FORM OF NOTES

- (A) THE Notes of each Tranche will initially be represented on issue by either a single Temporary Global Note or a single Permanent Global Note. Each Temporary Global Note shall be exchangeable for either Definitive Notes together with, where applicable, Receipts and (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached or a Permanent Global Note, in each case in accordance with the provisions set out therein. Each Permanent Global Note shall be exchangeable for Definitive Notes together with, where applicable, Receipts and (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached, all as set out in such Permanent Global Note. All Global Notes shall be prepared, completed and delivered to a common depository for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another appropriate depository in accordance with any other agreement between the relevant Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.
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- (B) The Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons shall be in bearer form. The Global Notes may be facsimile or photocopies and each shall have annexed thereto a copy of the applicable Pricing Supplement. The Definitive Notes, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions shall be incorporated by reference (where applicable to this Trust Deed) into such Definitive Notes if permitted by the relevant Stock Exchange (if any) or, if not so permitted, the Definitive Notes shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Definitive Notes shall have endorsed thereon or attached thereto the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Pricing Supplement. Title to the Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons shall pass by delivery.
- (C) The Global Notes shall be signed manually or in facsimile by an Authorised Signatory of the relevant Issuer and shall be authenticated by an authorised signatory on behalf of the Agent. The Definitive Notes shall be signed in facsimile by an Authorised Signatory of the relevant Issuer and the Definitive Notes shall be authenticated by an authorised signatory on behalf of the Agent. The relevant Issuer may use the facsimile signature of any person who at the date such signature is affixed is an Authorised Signatory of the relevant Issuer even if at the time of issue of the relevant Global Notes or Definitive Notes he may have ceased for any reason to be so authorised. The Receipts, Coupons and Talons shall not be signed. The Global Notes and Definitive Notes so executed and authenticated, and the Receipts, Coupons and Talons, upon execution and authentication of the relevant Definitive Notes, shall be binding and valid obligations of the relevant Issuer. No Global Note or Definitive Note and none of the Receipts, Coupons or Talons appertaining to such Definitive Note shall be binding or valid until such Global Note or Definitive Note (as the case may be) shall have been executed and authenticated as aforesaid.
- (D) Except as ordered by a court of competent jurisdiction or as required by law the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note, Receipt, Coupon or Talon as the absolute owner thereof (whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and shall be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the relevant Issuer and the Guarantor (if applicable), solely in the bearer of the Global Note in accordance with and subject to its terms (or the Trustee in accordance with these presents) (and the expressions "**Noteholder**", "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.
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- (E) The relevant Issuer and the Trustee may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of Euroclear or Clearstream, Luxembourg or any form of record made by either of them to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note.

4 FEES, DUTIES AND TAXES

THE relevant Issuer, failing which the Guarantor, will pay any stamp, issue, registration, documentary and other fees, duties and taxes payable on or in connection with (i) the execution and delivery of these presents (ii) the constitution and original issue of the Notes and the Coupons and (iii) any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Noteholder or Couponholder to enforce the provisions of these presents.

5 GUARANTEE AND INDEMNITY OF REUTERS GROUP PLC

- (A) THE Guarantor unconditionally and irrevocably guarantees to the Trustee (i) the due and punctual payment by RF of any sum payable by it under these presents, the Notes, the Receipts or the Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by RF of each of the other provisions of these presents, the Notes, the Receipts and the Coupons on RF's part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clause 2(B) and (D) (or if in respect of sums due under Clause 15, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), 2(B)(ii) and 2(B)(iii) shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 and sub-Clause 14(xiv).
- (B) As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting RF's obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting RF's obligations) to the intent that the holder of the Notes or the holder of a Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, premium, interest or such other amount as would have been receivable had such payments been made by RF. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to RF or any other person, (2) any amendment to any other provisions of these presents or to the Conditions of the Notes or to any security or other guarantee or indemnity, (3) the making or absence of any demand on RF or any other person for payment, (4) the enforcement or absence of enforcement of this Trust Deed, the Notes, the Receipts or the Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of RF or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to RF in relation to, or any defect in any provision of, this Trust Deed, the Notes, the Receipts or the Coupons or any of RF's obligations under any of them, (8) any circumstances which have resulted in RF being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).
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- (C) The Guarantor's obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under this Trust Deed, the Notes, the Receipts or the Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to RF, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.
- (D) So long as any sum remains payable under this Trust Deed, the Notes, the Receipts or the Coupons:
- (i) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by RF or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
 - (ii) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of RF shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10.
- (E) Without prejudice to the provisions of Clause 8 the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against RF and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.
- (F) The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by RF under this Trust Deed, the Notes or the Receipts or Coupons relating to the Notes and shall in any event pay to it on demand the amount as refunded by it.
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- (G) As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by RF under this Trust Deed, the Notes or the Receipts or the Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to RF, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by RF under these presents, the Notes or the Receipts or Coupons not being paid on the date and otherwise in the manner specified in these presents or any payment obligation of RF under these presents, the Notes, the Receipts or the Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by RF in respect of the relevant sum.
- (H) The obligations of the Guarantor under these presents, the Notes, the Receipts and the Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

6 COVENANT OF COMPLIANCE

EACH of the relevant Issuer and the Guarantor (if applicable) severally covenants with the Trustee that it will comply with and perform and observe all the provisions of these presents which are expressed to be binding on it. The Conditions shall be binding on the relevant Issuer, the Guarantor (if applicable), the Noteholders and the Couponholders. The Trustee shall be entitled to enforce the obligations of the relevant Issuer and the Guarantor (if applicable) under the Notes and the Coupons as if the same were set out and contained in the trust deeds constituting the same, which shall be read and construed as one document with the Notes and the Coupons.

7 CANCELLATION OF NOTES AND RECORDS

- (A) THE relevant Issuer shall procure that all Notes (i) redeemed or (ii) purchased by or on behalf of the relevant Issuer, the Guarantor (if applicable), or any Subsidiary of the relevant Issuer or the Guarantor and surrendered for cancellation or (iii) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 or (iv) exchanged as provided in these presents (together in each case with all unmatured Coupons attached thereto or delivered therewith) and all Coupons paid in accordance with the Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 and all Talons exchanged in accordance with the Conditions for further Coupons shall forthwith be cancelled by or on behalf of the relevant Issuer and a certificate stating:
- (a) the aggregate nominal amount of Notes which have been redeemed and the aggregate amounts in respect of Receipts and Coupons which have been paid;
 - (b) the serial numbers of such Notes in definitive form and Receipts;
 - (c) the total numbers (where applicable, of each denomination) by maturity date of such Coupons;

- (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Notes;
- (e) the aggregate nominal amount of Notes (if any) which have been purchased by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor and cancelled and the serial numbers of such Notes in definitive form and Receipts and the total number (where applicable, of each denomination) by maturity date of the Receipts, Coupons and Talons attached thereto or surrendered therewith;
- (f) the aggregate nominal amounts of Notes and Receipts and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers of such Notes in definitive form and Receipts and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons;
- (g) the total number (where applicable, of each denomination) by maturity date of unmatured Coupons missing from Notes in definitive form bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Notes in definitive form to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons

shall be given to the Trustee by or on behalf of the relevant Issuer as soon as possible and in any event within four months after the date of such redemption, purchase, payment, exchange or replacement (as the case may be). The Trustee may accept such certificate as conclusive evidence of redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon or exchange of the Talons respectively and of cancellation of the relative Notes and Coupons.

- (B) The relevant Issuer and the Guarantor (if applicable) shall procure (i) that the Agent shall keep a full and complete record of all Notes and Coupons (other than serial numbers of Coupons) and of their redemption, purchase for cancellation by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable), cancellation, payment or exchange (as the case may be) and of all replacement notes or coupons issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes or Coupons (ii) that the Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of 10 years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (iii) that such records and Coupons (if any) shall be made available to the Trustee at all reasonable times.

8 ENFORCEMENT

- (A) The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action as it may think fit against or in relation to the relevant Issuer and the Guarantor (if applicable) to enforce its obligations under these presents.
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- (B) Proof that as regards any specified Note or Coupon the relevant Issuer or the Guarantor (if applicable) has made default in paying any amount due in respect of such Note or Coupon shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Notes or Coupons (as the case may be) in respect of which the relevant amount is due and payable.

9 PROCEEDINGS, ACTION AND INDEMNIFICATION

- (A) THE Trustee shall not be bound to take any proceedings mentioned in Clause 8(A) or any other action in relation to these presents unless respectively directed or requested to do so (i) by an Extraordinary Resolution or (ii) in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and in either case then only if it shall be indemnified and, if it so requires, secured (whether by way of advance payment or otherwise) to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing. If the Trustee is obliged to make any determination or certification of material prejudice or otherwise under the terms of these presents or the Agency Agreement, the Trustee shall not be bound to take any action until it is indemnified and, if it so requires, secured (whether by way of advance payment or otherwise) to its satisfaction.
- (B) Only the Trustee may enforce the provisions of these presents. No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor (if applicable) to enforce the performance of any of the provisions of these presents unless the Trustee having become bound as aforesaid to take proceedings fails to do so within a reasonable period and such failure is continuing.

10 APPLICATION OF MONEYS

ALL moneys received by the Trustee under these presents shall, unless and to the extent attributable in the opinion of the Trustee to a particular Series of the Notes, be apportioned *pari passu* and rateably between each Series of the Notes, and all moneys received by the Trustee under these presents to the extent attributable in the opinion of the Trustee to a particular Series of the Notes or which are apportioned to such Series as aforesaid (including any moneys which represent principal or interest in respect of Notes or Coupons which have become void under Condition 8) shall be held by the Trustee upon trust to apply them (subject to Clause 12):

FIRST in payment or satisfaction of all amounts then due and unpaid under Clauses 15 and/or 16(J) and/or 22 to the Trustee and/or any Appointee;

SECONDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of that Series;

THIRDLY in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of each other Series; and

FOURTHLY in payment of the balance (if any) to the relevant Issuer, or, as the case may be, the Guarantor (if applicable) (without prejudice to, or liability in respect of, any question as to how such payment to the relevant Issuer, or, as the case may be, the Guarantor (if applicable) shall be dealt with as between the relevant Issuer, or, as the case may be, the Guarantor (if applicable) and any other person).

11 NOTICE OF PAYMENTS

THE Trustee shall give notice to the relevant Noteholders in accordance with Condition 14 of the day fixed for any payment to them under Clause 10. Such payment may be made in accordance with Condition 5 and any payment so made shall be a good discharge to the Trustee.

12 INVESTMENT BY TRUSTEE

- (A) IF the amount of the moneys at any time available for the payment of principal and interest in respect of the Notes under Clause 10 shall be less than 10 per cent. of the principal amount of the Notes then outstanding the Trustee may at its discretion invest such moneys in some or one of the investments authorised below. The Trustee at its discretion may vary such investments and may accumulate such investments and the resulting income until the accumulations, together with any other funds for the time being under the control of the Trustee and available for such purpose, amount to at least 10 per cent. of the principal amount of the Notes then outstanding and then such accumulations and funds shall be applied under Clause 10.
- (B) Any moneys which under the trusts of these presents ought to or may be invested by the Trustee may be invested in the name or under the control of the Trustee in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Trustee at such bank or other financial institution and in such currency as the Trustee may think fit. If that bank or other financial institution is the Trustee or a subsidiary, holding or associated company of the Trustee, such bank or other financial institution need only account for an amount of interest equal to the largest amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary any such investments for or into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

13 PARTIAL PAYMENTS

UPON any payment under Clause 10 (other than payment in full against surrender of a Note or Coupon) the Note or Coupon in respect of which such payment is made shall be produced to the Trustee or the Paying Agent by or through whom such payment is made and the Trustee shall or shall cause such Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Trustee may in any particular case dispense with such production and enfacement upon such indemnity being given as it shall think sufficient.

14 COVENANTS

SO long as any of the Notes remains outstanding (or, in the case of paragraphs (vii), (viii) and (xii) to (xv) inclusive, so long as any of the Notes or Coupons remains liable to prescription) each of the relevant Issuer and the Guarantor (if applicable) covenants with the Trustee that it shall:

- (i) give or procure to be given to the Trustee such opinions, certificates, information and evidence as it shall require and in such form as it shall require (including without limitation the procurement by the relevant Issuer or the Guarantor (if applicable) of all such certificates called for by the Trustee pursuant to Clause 16(C)) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
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- (ii) cause to be prepared and certified by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the relevant Stock Exchange;
 - (iii) at all times keep and procure its Subsidiaries to keep proper books of account and at any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee has reasonable grounds to believe that an Event of Default or a Potential Event of Default has occurred or is about to occur allow and procure its Subsidiaries to allow the Trustee and any person appointed by the Trustee to whom the relevant Issuer, the Guarantor (if applicable) or the relevant Subsidiary (as the case may be) shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours PROVIDED THAT nothing in this paragraph (iii) shall oblige the relevant Issuer or the Guarantor (if applicable) to disclose confidential information concerning customers of the relevant Issuer or the Guarantor (if applicable);
 - (iv) send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the relevant Issuer or the Guarantor (if applicable)) two copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders or which should legally be sent to its shareholders together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Noteholders) as soon as practicable after the issue or publication thereof;
 - (v) give notice in writing to the Trustee (a) of the occurrence of any Event of Default or any Potential Event of Default immediately upon becoming aware of the occurrence of an Event of Default or a Potential Event of Default or (b) of the coming into existence of any Security Interest which would require any security to be given to any Series of Notes pursuant to Condition 3;
 - (vi) give to the Trustee (a) within 7 days after demand by the Trustee therefor and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial period commencing with the financial period ending, in the case of RG, 31st December, 1998, and, in the case of RE, 31st December, 2003 and in any event not later than 180 days after the end of each such completed financial period a certificate of the relevant Issuer and the Guarantor (if applicable) signed by an Authorised Signatory of the relevant Issuer and the Guarantor (if applicable) to the effect that as at a date not more than seven days before delivering such certificate (the "**relevant date**") there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default or any Potential Event of Default (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant date of such certificate each of the relevant Issuer and the Guarantor (if applicable) has complied with all its obligations contained in these presents or (if such is not the case) specifying the respects in which it has not complied;
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- (vii) at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the reasonable opinion of the Trustee to give effect to these presents;
 - (viii) at all times maintain Paying Agents in accordance with the Conditions;
 - (ix) use all reasonable endeavours to procure the Agent to notify the Trustee forthwith in the event that it does not, on or before the due date for any payment in respect of the Notes or any of them or any of the Coupons, receive unconditionally pursuant to the Agency Agreement payment of the full amount in the relevant currency of the moneys payable on such due date on all such Notes or Coupons as the case may be;
 - (x) in the event of the unconditional payment to the Agent of any sum due in respect of the Notes or any of them or any of the Coupons being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Noteholders in accordance with Condition 14 that such payment has been made;
 - (xi) use all reasonable endeavours to maintain the listing on the relevant Stock Exchange of those of the Notes which are listed on the relevant Stock Exchange or, if it is unable to do so having used such endeavours, use all reasonable endeavours to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets as the relevant Issuer and the Guarantor (if applicable) may (with the prior approval of the Trustee) decide and shall also upon obtaining a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets enter into a trust deed supplemental to this Trust Deed to effect such consequential amendments to these presents as the Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
 - (xii) give notice to the Noteholders in accordance with Condition 14 of any appointment, resignation or removal of any Paying Agent (other than the appointment of the initial Paying Agents) after having obtained the approval of the Trustee thereto or any change of any Paying Agent's specified office and (except as provided by the Agency Agreement or the Conditions) at least 30 days prior to such event taking effect; PROVIDED ALWAYS THAT so long as any of the Notes remains liable to prescription in the case of the termination of the appointment of the Agent no such termination shall take effect until a new Agent has been appointed on terms approved by the Trustee;
 - (xiii) obtain the prior written approval of the Trustee to, and promptly give to the Trustee two copies of, the form of every notice given to the Noteholders in accordance with Condition 14 (such approval, unless so expressed, not to constitute approval for the purposes of Section 57 of the Financial Services Act 1986 of the United Kingdom of any such notice which is an investment advertisement (as therein defined));
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- (xiv) if the relevant Issuer or the Guarantor (if applicable) shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the United Kingdom or any such political sub-division thereof or any such authority therein or thereof, immediately upon becoming aware thereof notify the Trustee of such event and (unless the Trustee otherwise agrees) enter forthwith into a Trust Deed supplemental to this Trust Deed, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 7 with the substitution for (or, as the case may be, the addition to) the references therein to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory or any political sub-division thereof or any authority therein or thereof having power to tax to whose taxing jurisdiction such payments shall have become subject as aforesaid such Trust Deed also (where applicable) to modify Condition 6(b) so that such Condition shall make reference to the other or additional territory, any political sub-division thereof and any authority therein or thereof having power to tax;
- (xv) comply with and perform all its obligations under the Agency Agreement and use all reasonable endeavours to procure that the Paying Agents comply with and perform all their respective obligations thereunder and any notice given by the Trustee pursuant to Clause 2(C)(i) and not make any amendment or modification to such Agreement without the prior written approval of the Trustee;
- (xvi) in order to enable the Trustee to ascertain the nominal amount of Notes of each Series for the time being outstanding for any of the purposes referred to in the proviso to the definition of "outstanding" in Clause 1, deliver to the Trustee forthwith upon being so requested in writing by the Trustee a certificate in writing signed by an Authorised Signatory of the relevant Issuer or the Guarantor (if applicable) setting out the total number and aggregate nominal amount of Notes of each Series which:
- (a) up to and including the date of such certificate have been purchased by the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable) and cancelled; and
 - (b) are at the date of such certificate held by, for the benefit of, or on behalf of, the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable);
- (xvii) procure its Subsidiaries to comply with all (if any) applicable provisions of Condition 6(h);
- (xviii) use all reasonable endeavours to procure that each of the Paying Agents makes available for inspection by Noteholders and Couponholders at its specified office copies of these presents, the Agency Agreement and the then latest audited balance sheet and profit and loss account (consolidated if applicable) of the relevant Issuer and the Guarantor (if applicable);
- (xix) if, in accordance with the provisions of the Conditions, interest in respect of Notes denominated in U.S. dollars becomes payable at the specified office of any Paying Agent in the United States of America promptly give notice thereof to the Noteholders in accordance with Condition 14;
- (xx) upon due surrender in accordance with the Conditions, pay the face value of all Coupons (including Coupons issued in exchange for Talons) appertaining to all Notes purchased by the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the Guarantor;
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(xxi) give prior notice to the Trustee of any proposed redemption pursuant to Condition 6(b) or 6(c) and, if it shall have given notice to Noteholders of its intention to redeem any Notes pursuant to Condition 6(c), duly proceed to make drawings (if appropriate) and to redeem Notes accordingly; and

(xxii) promptly provide the Trustee with copies of all supplements to, and/or amendments to, and/or restatements of, the Programme Agreement.

15 REMUNERATION OF TRUSTEE

- (A) THE relevant Issuer, failing which the Guarantor, shall pay to the Trustee remuneration for its services as trustee as from the date of this Trust Deed, such remuneration to be at such rate as may from time to time be separately agreed between the relevant Issuer, the Guarantor (if applicable) and the Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders and Couponholders) up to and including the date when, all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Agent or the Trustee PROVIDED THAT if upon due presentation of any Note or Coupon or any cheque payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue.
- (B) In the event of the occurrence of an Event of Default or a Potential Event of Default or the Trustee considering it expedient or necessary or being requested by the relevant Issuer or the Guarantor (if applicable) to undertake duties which the Trustee and the relevant Issuer or the Guarantor (if applicable) agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents the relevant Issuer, failing which the Guarantor (if applicable) shall pay to the Trustee such additional remuneration as shall be agreed between them.
- (C) The relevant Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under these presents.
- (D) In the event of the Trustee, the relevant Issuer and the Guarantor (if applicable) failing to agree:
- (1) (in a case to which sub-clause (A) above applies) upon the amount of the remuneration; or
 - (2) (in a case to which sub-clause (B) above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the relevant Issuer and the Guarantor (if applicable) or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being shared equally between the relevant Issuer and the Trustee) and the determination of any such merchant or investment bank shall be final and binding upon the Trustee, the relevant Issuer and the Guarantor (if applicable).

- (E) The relevant Issuer, failing which, the Guarantor, shall also pay or discharge all Liabilities properly incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these presents.
- (F) All amounts payable pursuant to sub-clause (E) above and/or Clause 16(J) shall be payable by the relevant Issuer, failing which, the Guarantor, on the date specified in a demand by the Trustee and in the case of payments actually made by the Trustee prior to such demand shall (if not paid within three days after such demand and the Trustee so requires) carry interest at the rate of two per cent. per annum above the overnight base rate from time to time of Citibank, N.A. from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Trustees so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor.
- (G) Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause and Clause 16(J) shall continue in full force and effect notwithstanding such discharge.
- (H) The Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Notes any Liabilities incurred under these presents have been incurred or to allocate any such Liabilities between the Notes of more than one Series.

16 SUPPLEMENT TO TRUSTEE ACTS

THE Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:

- (A) The Trustee may in relation to these presents act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the relevant Issuer, the Guarantor (if applicable), the Trustee or otherwise and shall not be responsible for any Liability occasioned by so acting.
 - (B) Any such advice, opinion or information may be sent or obtained by letter, telegram, facsimile transmission or cable and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
 - (C) The Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by an Authorised Signatory of the relevant Issuer or the Guarantor (if applicable) and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate or any other certificate given by the relevant Issuer, the Guarantor (if applicable) or the Auditors under the terms of these presents.
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- (D) The Trustee shall be at liberty to hold or to place these presents and any other documents relating thereto in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Trustee to be of good repute and the Trustee shall not be responsible for or be required to insure against any Liability incurred in connection with any such deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
 - (E) The Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the relevant Issuer, the exchange of any Global Note for another Global Note or Definitive Notes or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them.
 - (F) The Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to take any steps to ascertain whether any Event of Default or any Potential Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no Event of Default or Potential Event of Default has happened and that each of the relevant Issuer and the Guarantor (if applicable) is observing and performing all its obligations under these presents.
 - (G) Save as expressly otherwise provided in these presents, the Trustee shall have absolute and uncontrolled discretion as to the exercise of its trusts, powers, authorities and discretions under these presents (the exercise of which as between the Trustee and the Noteholders and Couponholders shall be conclusive and binding on the Noteholders and Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise.
 - (H) The Trustee shall not be liable to any person by reason of having acted upon any resolution purporting to have been passed at any meeting of the holders of Notes of all or any Series in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon such holders and the relative Couponholders.
 - (I) The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note or Coupon purporting to be such and subsequently found to be forged or not authentic.
 - (J) Without prejudice to the right of indemnity by law given to trustees, each of the relevant Issuer and the Guarantor (if applicable) shall indemnify the Trustee and every Appointee and keep it or him indemnified and, if it or him so requires, secured (whether by way of advance payment or otherwise) against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the execution or purported execution of any of its trusts, powers, authorities and discretions under these presents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment.
 - (K) Any consent or approval given by the Trustee for the purposes of these presents may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in these presents may be given retrospectively.
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- (L) The Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder or Couponholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by the relevant Issuer, the Guarantor (if applicable) or any other person in connection with these presents and no Noteholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information.
 - (M) Where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall (unless otherwise provided by these presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Trustee in consultation with the relevant Issuer and any rate, method and date so agreed shall be binding on the relevant Issuer, the Guarantor (if applicable), the Noteholders and the Couponholders.
 - (N) The Trustee as between itself and the Noteholders and Couponholders may determine all questions and doubts arising in relation to any of the provisions of these presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Noteholders and Couponholders.
 - (O) In connection with the exercise by it of any of its trusts, powers, authorities and discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer, the Guarantor (if applicable), the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition thereto or in substitution therefor under these presents.
 - (P) Any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents.
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- (Q) The Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions under these presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Noteholders think fit. Provided that the Trustee shall have exercised reasonable care in the selection of any such delegate the Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the relevant Issuer.
- (R) The Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with these presents (including the receipt and payment of money). Provided that the Trustee shall have exercised reasonable care in the selection of any such agent the Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.
- (S) The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating thereto.
- (T) The Trustee may certify whether or not any of the conditions, events and acts set out in sub-paragraphs (i), (iii), (iv), (vi) and (vii) of Condition 9 (each of which conditions, events and acts shall, unless in any case the Trustee in its absolute discretion shall otherwise determine, for all the purposes of these presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the relevant Issuer, the Guarantor (if applicable), the Noteholders and the Couponholders.
- (U) The Trustee shall not be concerned, and need not enquire, as to whether or not any Notes are issued in breach of the Programme Limit.
- (V) Where there are any inconsistencies between the Trustee Acts and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail, and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act.

17 TRUSTEE'S LIABILITY

NOTHING in these presents shall in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of these presents conferring on it any trusts, powers, authorities or discretions exempt the Trustee from or indemnify it against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default or breach of duty of which it may be guilty in relation to its duties under these presents.

18 TRUSTEE CONTRACTING WITH RG AND RF

NEITHER the Trustee nor any director or officer of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

- (i) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuers or any person or body corporate associated with the Issuers (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes, stocks, shares, debenture stock, debentures, bonds or other securities of, the Issuers or any person or body corporate associated as aforesaid); or
- (ii) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuers or any such person or body corporate so associated or any other office of profit under the Issuers or any such person or body corporate so associated

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (i) above or, as the case may be, any such trusteeship or office of profit as is referred to in (ii) above without regard to the interests of the Noteholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Noteholders and shall not be responsible for any Liability occasioned to the Noteholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Trustee or any director or officer of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Noteholders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

19 WAIVER, AUTHORISATION AND DETERMINATION

- (A) THE Trustee may, without the consent of the Noteholders or Couponholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default, from time to time and at any time but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the relevant Issuer or the Guarantor (if applicable) of any of the covenants or provisions contained in these presents or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of these
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presents PROVIDED ALWAYS THAT the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Noteholders and the Couponholders and, if, but only if, the Trustee, shall so require, shall be notified by the relevant Issuer to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

MODIFICATION

- (B) The Trustee may without the consent of the Noteholders or Couponholders at any time and from time to time concur with the relevant Issuer and the Guarantor (if applicable) in making any modification (i) to these presents which in the opinion of the Trustee it may be proper to make PROVIDED THAT the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or (ii) to these presents if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error. Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding upon the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the relevant Issuer to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

20 HOLDER OF DEFINITIVE NOTE ASSUMED TO BE RECEIPHOLDER AND COUPONHOLDER

- (A) WHEREVER in these presents the Trustee is required or entitled to exercise a power, trust, authority or discretion under these presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Noteholder is the holder of all Receipts and Coupons appertaining to each Definitive Note of which he is the holder.

NO NOTICE TO RECEIPHOLDERS OR COUPONHOLDERS

- (B) Neither the Trustee nor the relevant Issuer shall be required to give any notice to the Receipholders or the Couponholders for any purpose under these presents and the Receipholders and the Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with Condition 14.

21 SUBSTITUTION

- (A) (1) In the case of Notes issued by RF, the Trustee may agree, without the consent of the Noteholders, Receipholders or Couponholders, to the substitution in place of RF (or of the previous substitute under this sub-clause (A)) as the principal debtor under these presents of either (i) RG, (ii) any Successor in Business of either RG or RF, (iii) any holding company of either RG or RF, (iv) any other Subsidiary of RG or (v) any Subsidiary of any such Successor in Business or holding company (such substituted company being hereafter in this sub-clause (A) called the "**New Company**") provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential
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amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the principal debtor in place of RF (or of the previous substitute under this sub-clause (A)) and provided further that (except where the New Company is RG or its Successor in Business or its holding company (where such holding company has assumed the obligations of RG as guarantor of Notes issued by RF under these presents) RG or, as the case may be, its Successor in Business or (in the case aforesaid) its holding company unconditionally and irrevocably guarantees (in the case of Subordinated Notes, on a basis equivalent to that on which the Notes are subordinated immediately prior to the substitution) all amounts payable under these presents to the satisfaction of the Trustee.

(2) The following further conditions shall apply to (1) above:

- (i) RG, RF and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (ii) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, Condition 7 shall be modified so that such Condition shall, in substitution for (or, as the case may be, in addition to) the references therein to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, make reference to that other or additional territory or any authority therein or thereof having power to tax in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject;
- (iii) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and
- (iv) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of RF or the previous substitute under this sub-clause (A) as applicable.

(B) (1) In the case of Notes issued by RG, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution in place of RG (or of the previous substitute under this sub-clause (B)) as the principal debtor under these presents (in the case of Subordinated Notes, on a basis equivalent to that on which the Notes are subordinated immediately prior to the substitution) of either (i) its Successor in Business, (ii) its holding company or (iii) any Subsidiary of RG or its Successor in Business or holding company (such substituted company being hereafter in this sub-clause (B) called the "**New Company**") provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the

principal debtor in place of RG (or of the previous substitute under this sub-clause (B)) and provided further that (except where the New Company is the Successor in Business or holding company of RG) RG or, as the case may be, its successor in Business or holding company unconditionally and irrevocably guarantees (in the case of Subordinated Notes, on a basis equivalent to that on which the Notes are subordinated immediately prior to the substitution) all amounts payable under these presents to the satisfaction of the Trustee.

(2) The following further conditions shall apply to (1) above:

- (i) RG and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (ii) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, Condition 7 shall be modified so that such Condition shall, in substitution for (or, as the case may be, in addition to) the references therein to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, make reference to that other or additional territory or any authority therein or thereof having power to tax in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject;
- (iii) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and
- (iv) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of RG or the previous substitute under this sub-clause (B) as applicable.

(C) (1) In the case of Notes issued by RF, the Trustee may agree, without the consent of the Noteholders, Receipholders or Couponholders, to the substitution in place of RG (or of the previous substitute under this sub-clause (C)) in its capacity as guarantor of such Notes of the Successor in Business of RG or a holding company of RG or of such Successor in Business (such substituted company being hereafter in this sub-clause (C) called the "**New Company**") provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the guarantor in place of RG (or of the previous substitute under this sub-clause (C)).

(2) The following further conditions shall apply to (1) above:

- (i) RG and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (ii) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, Condition 7 shall be modified so that such Condition shall, in substitution for (or, as the case may be, in addition to) the references therein to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, make reference to that other or additional territory or any authority therein or thereof having power to tax in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject;
- (iii) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and
- (iv) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of RG or the previous substitute under this sub-clause (C) as applicable.

(D) Any such Trust Deed or undertaking shall, if so expressed, operate to release the company being substituted from all of its obligations as principal debtor or, as the case may be, as Guarantor under these presents. Not later than 14 days after the execution of such documents and compliance with such requirements, the relevant New Company shall give notice thereof in a form previously approved by the Trustee to the Noteholders in the manner provided in Condition 14. Upon the execution of such documents and compliance with such requirements, the relevant New Company shall be deemed to be named in these presents as the principal debtor in place of the relevant Issuer (or in place of the previous substitute under this Clause) or, as the case may be, as guarantor in place of the Guarantor under these presents and these presents shall be deemed to be amended in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in these presents to the relevant Issuer or, as the case may be, the Guarantor shall, unless the context otherwise requires, be deemed to be or include references to the relevant New Company.

22 CURRENCY INDEMNITY

EACH of the relevant Issuer and the Guarantor (if applicable) shall severally indemnify the Trustee, every Appointee, the Noteholders and the Couponholders and keep them indemnified against:

- (a) any Liability incurred by any of them arising from the non-payment by the relevant Issuer or the Guarantor (if applicable) of any amount due to the Trustee or the Noteholders or Couponholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the relevant Issuer or the Guarantor (if applicable); and
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- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the relevant Issuer or the Guarantor (if applicable) and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the relevant Issuer and the Guarantor (if applicable) separate and independent from its/their obligations under the other provisions of these presents and shall apply irrespective of any indulgence granted by the Trustee or the Noteholders or the Couponholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the relevant Issuer or the Guarantor (if applicable) for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and Couponholders and no proof or evidence of any actual loss shall be required by the relevant Issuer or the Guarantor (if applicable) or its liquidator or liquidators.

23 NEW TRUSTEE

- (A) THE power to appoint a new trustee of these presents shall be vested in the Issuers jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuers to the Agent and in accordance with Condition 14 the Noteholders.

SEPARATE AND CO-TRUSTEES

- (B) Notwithstanding the provisions of sub-clause (A) above, the Trustee may, upon giving prior notice to the relevant Issuer and the Guarantor (if applicable) (but without the consent of the relevant Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:
 - (i) if the Trustee considers such appointment to be in the interests of the Noteholders;
 - (ii) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
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(iii) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the relevant Issuer and/or the Guarantor (if applicable).

Each of the relevant Issuer and the Guarantor (if applicable) irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of these presents be treated as Liabilities incurred by the Trustee.

24 TRUSTEE'S RETIREMENT AND REMOVAL

A trustee of these presents may retire at any time on giving not less than three months' prior written notice to the Issuers without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Noteholders may by Extraordinary Resolution remove any trustee or trustees for the time being of these presents. The Issuers jointly undertake that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution they will use all reasonable endeavours to procure that a new trustee of these presents being a Trust Corporation is appointed as soon as reasonably practicable thereafter. If within one month of the only trustee of these presents giving notice under this Clause no such new trustee has been appointed by the Issuers, the Trustee may appoint a successor in the Issuers' stead. The retirement or removal of any such trustee shall not become effective until a successor trustee being a Trust Corporation is appointed.

25 TRUSTEE'S POWERS TO BE ADDITIONAL

THE powers conferred upon the Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Trustee by the general law or as a holder of any of the Notes or Coupons.

26 NOTICES

ANY notice or demand to RG, RF or the Trustee to be given, made or served for any purposes under these presents shall be given, made or served by sending the same by pre-paid post (first class if inland, first class airmail if overseas), telex or facsimile transmission or by delivering it by hand as follows:

to RG: 85 Fleet Street
 London EC4P 4AJ

(Attention: the Company Secretary)
Facsimile No. 020 7542 6848

to RF: 85 Fleet Street
London EC4P 4AJ

(Attention: the Company Secretary)
Facsimile No. 020 7542 6848

to the
Trustee: Citigroup Centre

Canada Square
Canary Wharf
London E14 5LB

(Attention: Agency & Trust)
Facsimile No. 020 7500 5857

or to such other address, telex or facsimile number as shall have been notified (in accordance with this Clause) to the other parties hereto and any notice or demand sent by post as aforesaid shall be deemed to have been given, made or served three days in the case of inland post or seven days in the case of overseas post after despatch and any notice or demand sent by telex or facsimile transmission as aforesaid shall be deemed to have been given, made or served 24 hours after the time of despatch provided that in the case of a notice or demand given by telex or facsimile transmission such notice or demand shall forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice or demand given by telex or facsimile transmission.

27 GOVERNING LAW

THESE presents are governed by, and shall be construed in accordance with, English law.

28 COUNTERPARTS

THIS Trust Deed and any Trust Deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any Trust Deed supplemental hereto may enter into the same by executing and delivering a counterpart.

29 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Trust Deed or any trust deed supplemental hereto has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed or any trust deed supplemental hereto, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof this Trust Deed has been executed as a deed by RG, RF and the Trustee and delivered on the date stated on page 1.

SCHEDULE 1

TERMS AND CONDITIONS OF THE NOTES

AGENT

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

PAYING AGENTS

Citigroup Global Markets Deutschland AG & Co. KGaA
Global Transaction Services
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

Banque Paribas Luxembourg
10A Boulevard Royal
L-2093 Luxembourg

SCHEDULE 2

FORMS OF GLOBAL AND DEFINITIVE NOTES, RECEIPTS, COUPONS AND TALONS

PART I

FORM OF TEMPORARY GLOBAL NOTE

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the "Issuer")/*

REUTERS FINANCE PLC

*(Incorporated with limited liability in England and Wales
with registered number 4941058)*

*(the "Issuer")]*¹

[unconditionally and irrevocably guaranteed by

REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)*

*(the "Guarantor")]*²

TEMPORARY GLOBAL NOTE

This Note is a Temporary Global Note in respect of a duly authorised issue of Notes of the Issuer (the "**Notes**") of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Pricing Supplement applicable to the Notes (the "**Pricing Supplement**"), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, the Pricing Supplement will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 7th November, 2003 and made between the Issuer[, the Guarantor]³ and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

¹ Delete as applicable.

² Delete where the relevant Issuer is the Guarantor.

³ Delete where the relevant Issuer is the Guarantor.

The Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Agent at 5 Carmelite Street, London EC4Y 0PA or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer [and the Guarantor]¹ in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Agent by Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") a certificate in or substantially in the form set out in Part VII of Schedule 2 to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate in or substantially in the form of Certificate "A" as set out in Part VII of Schedule 2 to the Trust Deed. The bearer of this Global Note will not (unless upon due presentation of this Global Note for exchange, delivery of the appropriate number of Definitive Notes (together with the Coupons appertaining thereto) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Note is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the "**Exchange Date**") which is 40 days after the Issue Date, this Global Note may be exchanged in whole or in part for, as specified in the Pricing Supplement, either Definitive Notes and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Parts III, IV, V and VI of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Pricing Supplement has been endorsed on or attached to such Definitive Notes) or a Permanent Global Note in or substantially in the form set out in Part II of Schedule 2 to the Trust Deed (together with the Pricing Supplement attached thereto) upon notice being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Note and subject, in the case of Definitive Notes, to such notice period as is specified in the Pricing Supplement. If Definitive Notes and (if applicable) Receipts, Coupons and/or Talons have already been issued in exchange for all the Notes represented for the time being by the Permanent Global Note, then this Global Note may only thereafter be exchanged for Definitive Notes and (if applicable) Receipts, Coupons and/or Talons pursuant to the terms hereof. Presentation of this Global Note for

exchange shall be made by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above. The Issuer shall procure that Definitive Notes or (as the case may be) the Permanent Global Note shall be so issued and delivered in exchange for only that portion of this Global Note in respect of which there shall have been presented to the Agent by Euroclear or Clearstream, Luxembourg a certificate in or substantially in the form set out in Part VII of Schedule 2 to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate in or substantially in the form of Certificate "A" as set out in Part VII of Schedule 2 to the Trust Deed. On an exchange of the whole of this Global Note, this Global Note shall be surrendered to the Agent. On an exchange of part only of this Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged. On any exchange of this Global Note for a Permanent Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Note and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts III, IV, V and VI (as applicable) of Schedule 2 to the Trust Deed.

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 nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, [the Guarantor,]¹ the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer [and the Guarantor]¹, solely in the bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

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

This Global Note is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

IN WITNESS whereof the Issuer has caused this Global Note to be signed on its behalf.

Issued as of [].

[REUTERS GROUP PLC/REUTERS FINANCE PLC]²

¹ Delete where the relevant Issuer is the Guarantor.

² Delete as applicable.

By: _____

Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank, N.A., London office,
as Agent

By: _____

authorised signatory

Guarantee and Indemnity of Reuters Group PLC

- (A) **Guarantee:** Reuters Group PLC (the “**Guarantor**”) unconditionally and irrevocably guarantees to Citicorp Trustee Company Limited (the “**Trustee**”) (i) the due and punctual payment by Reuters Finance PLC (the “**Issuer**”) of any sum payable by it under the trust deed dated 7th November 2003 (the “**Trust Deed**”) made between the Issuer, the Guarantor and the Trustee, this Note, any Receipts or Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by the Issuer of each of the other provisions of the Trust Deed, this Note, any Receipts and Coupons on the Issuer’s part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clause 2(B) and (D) of the Trust Deed (or if in respect of sums due under Clause 15 of the Trust Deed, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), (ii) and (iii) of the Trust Deed shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15 of the Trust Deed. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 of the Notes and sub-Clause 14(xiv) of the Trust Deed.
- (B) **Guarantor as Principal Debtor:** As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting the Issuer’s obligations) to the intent that the holder of this Note or the holder of a Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, [premium,] interest or such other amount as would have been receivable had such payments been made by the Issuer. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Trust Deed or to the Conditions of this Note or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of the Trust Deed, this Note, any Receipts or Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, or any defect in any provision of, the Trust Deed, this Note, any Receipts or Coupons or any of the Issuer’s obligations under any of them, (8) any circumstances which have resulted in the Issuer being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).
- (C) **Guarantor’s Obligations Continuing:** The Guarantor’s obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Trust Deed, this Note, any Receipts or Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor’s liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.
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- (D) **Exercise of Guarantor's Rights:** So long as any sum remains payable under the Trust Deed, this Note, any Receipts or Coupons:
- (i) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
 - (ii) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10 of the Trust Deed.
- (E) **Enforcement by the Trustee:** Without prejudice to the provisions of Clause 8 of the Trust Deed the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.
- (F) **Avoidance of Payments:** The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons relating to this Note and shall in any event pay to it on demand the amount as refunded by it.
- (G) **Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Trust Deed or any payment obligation of the Issuer under the Trust Deed, this Note, any Receipts or Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.
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- (H) **Guarantor's Obligations:** The obligations of the Guarantor under this Note, the Trust Deed, any Receipts and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
- (I) **Authorisations:** The Guarantor hereby represents and warrants that all corporate approvals and authorisations required by it in connection with the giving of the Guarantee and Indemnity embodied herein have been obtained and are in full force and effect and upon the execution hereof the same shall constitute the legal, valid, binding and enforceable obligations of the Guarantor.
- (J) **Governing Law:** This Guarantee and Indemnity is governed by, and shall be construed in accordance with, English law.

Capitalised terms not defined above have the same meaning as in the Notes.

Dated as of the Issue Date

Reuters Group PLC

By:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

PART II

FORM OF PERMANENT GLOBAL NOTE

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the "Issuer")/*

REUTERS FINANCE PLC

*(Incorporated with limited liability in England and Wales
with registered number 4941058)
(the "Issuer")¹*

[unconditionally and irrevocably guaranteed by

REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the "Guarantor")²*

PERMANENT GLOBAL NOTE

This Note is a Permanent Global Note in respect of a duly authorised issue of Notes of the Issuer (the "**Notes**") of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Pricing Supplement applicable to the Notes (the "**Pricing Supplement**"), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, the Pricing Supplement will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 7th November, 2003 and made between the Issuer[, the Guarantor]³ and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note

¹ Delete as applicable.

² Delete where the relevant Issuer is the Guarantor.

³ Delete where the relevant Issuer is the Guarantor.

at the specified office of the Agent at 5 Carmelite Street, London EC4Y 0PA or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer [and the Guarantor]¹ in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

[On any exchange of the Temporary Global Note issued in respect of the Notes for this Global Note or any part hereof, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.]¹

[Upon any further Tranche of Notes of this Series being issued, details of such increase in the size of the Series shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such increase shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of such further Tranche.]²

This Global Note may be exchanged (free of charge), in whole but not in part, for Definitive Notes and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Parts III, IV, V and VI of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Pricing Supplement has been endorsed on or attached to such Definitive Notes), unless otherwise specified in the applicable Pricing Supplement:

- (i) upon not less than 60 days' written notice from Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") (acting on the instructions of any holder of an interest in this Global Note); or
- (ii) only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system approved by the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by the Permanent Global Note in definitive form.

¹ Delete where the issue is made in accordance with TEFRA C.

² Delete where the issue is made in accordance with TEFRA D.

If the Global Note is exchangeable following the occurrence of such Exchange Event:

- (i) the Issuer will promptly give notice to Noteholders in accordance with Condition 14; and
- (ii) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur on the date specified in the notice requesting exchange.

Any such exchange as aforesaid will be made upon presentation of this Global Note by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above.

The aggregate nominal amount of Definitive Notes issued upon an exchange of this Global Note will be equal to the aggregate nominal amount of this Global Note.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts III, IV, V and VI (as applicable) of Schedule 2 to the Trust Deed.

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 nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, [the Guarantor,]¹ the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, [and the Guarantor,]¹ solely in the bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

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

This Global Note is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

IN WITNESS whereof the Issuer has caused this Global Note to be signed on its behalf.

Issued as of [].

¹ Delete where the relevant Issuer is the Guarantor.

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

By: _____

Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank, N.A., London office, as Agent.

By: _____

authorised signatory

1 Delete as applicable.

Guarantee and Indemnity of Reuters Group PLC

- (A) **Guarantee:** Reuters Group PLC (the “**Guarantor**”) unconditionally and irrevocably guarantees to Citicorp Trustee Company Limited (the “**Trustee**”) (i) the due and punctual payment by Reuters Finance PLC (the “**Issuer**”) of any sum payable by it under the trust deed dated 7th November 2003 (the “**Trust Deed**”) made between the Issuer, the Guarantor and the Trustee, this Note, any Receipts or Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by the Issuer of each of the other provisions of the Trust Deed, this Note, any Receipts and Coupons on the Issuer’s part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clause 2(B) and (D) of the Trust Deed (or if in respect of sums due under Clause 15 of the Trust Deed, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), (ii) and (iii) of the Trust Deed shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15 of the Trust Deed. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 of the Notes and sub-Clause 14(xiv) of the Trust Deed.
- (B) **Guarantor as Principal Debtor:** As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting the Issuer’s obligations) to the intent that the holder of this Note or the holder of any Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, [premium,] interest or such other amount as would have been receivable had such payments been made by the Issuer. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Trust Deed or to the Conditions of this Note or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) any enforcement or absence of enforcement of the Trust Deed, this Note, any Receipts or Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, or any defect in any provision of, the Trust Deed, this Note, any Receipts or Coupons or any of the Issuer’s obligations under any of them, (8) any circumstances which have resulted in the Issuer being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).
- (C) **Guarantor’s Obligations Continuing:** The Guarantor’s obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Trust Deed, this Note, any Receipts or Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor’s liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.
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- (D) **Exercise of Guarantor's Rights:** So long as any sum remains payable under the Trust Deed, this Note, any Receipts or Coupons:
- (i) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
 - (ii) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10 of the Trust Deed.
- (E) **Enforcement by the Trustee:** Without prejudice to the provisions of Clause 8 of the Trust Deed the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.
- (F) **Avoidance of Payments:** The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons relating to this Note and shall in any event pay to it on demand the amount as refunded by it.
- (G) **Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Trust Deed or any payment obligation of the Issuer under the Trust Deed, this Note, any Receipts or Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.
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- (H) **Guarantor's Obligations:** The obligations of the Guarantor under this Note, the Trust Deed, any Receipts and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
- (I) **Authorisations:** The Guarantor hereby represents and warrants that all corporate approvals and authorisations required by it in connection with the giving of the Guarantee and Indemnity embodied herein have been obtained and are in full force and effect and upon the execution hereof the same shall constitute the legal, valid, binding and enforceable obligations of the Guarantor.
- (J) **Governing Law:** This Guarantee and Indemnity is governed by, and shall be construed in accordance with, English law.

Capitalised terms not defined above have the same meaning as in the Notes.

Dated as of the Issue Date

Reuters Group PLC

By:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

PART III

FORM OF DEFINITIVE NOTE

[Denomination]

[ISIN]

[SERIES]

[CERTIFICATE No.]

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)*
(the "**Issuer**")/

REUTERS FINANCE PLC

*(Incorporated with limited liability in England and Wales
with registered number 4941058)*
(the "**Issuer**")]¹

[unconditionally and irrevocably guaranteed by

REUTERS GROUP PLC

(the "**Guarantor**")

*(Incorporated with limited liability in England and Wales
with registered number 3296375)]²*

[Specified Currency and Nominal Amount of Tranche]

NOTES DUE

[Year of Maturity]

This Note is one of a Series of Notes of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer ("**Notes**"). References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information (appearing in the Pricing Supplement (the "**Pricing Supplement**") endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Pricing Supplement, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Note. This Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 7th November, 2003 and made between the Issuer[, the Guarantor]³ and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on [each Instalment Date and] the Maturity Date or on such earlier date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Note and to pay interest (if any) on the nominal amount of this Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

1 Delete as applicable.

2 Delete where the relevant Issuer is the Guarantor.

3 Delete where the relevant Issuer is the Guarantor.

This Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

IN WITNESS whereof the Issuer has caused this Note to be signed in facsimile on its behalf.

Issued as of [].

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

By: _____

Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank, N.A., London office, as Agent

By: _____

authorised signatory

¹ Delete as applicable.

Guarantee and Indemnity of Reuters Group PLC

- (A) **Guarantee:** Reuters Group PLC (the “**Guarantor**”) unconditionally and irrevocably guarantees to Citicorp Trustee Company Limited (the “**Trustee**”) (i) the due and punctual payment by Reuters Finance PLC (the “**Issuer**”) of any sum payable by it under the trust deed dated 7th November 2003 (the “**Trust Deed**”) made between the Issuer, the Guarantor and the Trustee, this Note, any Receipts or Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by the Issuer of each of the other provisions of the Trust Deed, this Note, any Receipts and Coupons on the Issuer’s part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clause 2(B) and (D) of the Trust Deed (or if in respect of sums due under Clause 15 of the Trust Deed, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), (ii) and (iii) of the Trust Deed shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15 of the Trust Deed. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 of the Notes and sub-Clause 14(xiv) of the Trust Deed.
- (B) **Guarantor as Principal Debtor:** As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting the Issuer’s obligations) to the intent that the holder of this Note or the holder of any Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, [premium,] interest or such other amount as would have been receivable had such payments been made by the Issuer. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Trust Deed or to the Conditions of this Note or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of the Trust Deed, this Note, any Receipts or Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, or any defect in any provision of, the Trust Deed, this Note, any Receipts or Coupons or any of the Issuer’s obligations under any of them, (8) any circumstances which have resulted in the Issuer being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).
- (C) **Guarantor’s Obligations Continuing:** The Guarantor’s obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Trust Deed, this Note, any Receipts or Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor’s liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.
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- (D) **Exercise of Guarantor's Rights:** So long as any sum remains payable under the Trust Deed, this Note, any Receipts or Coupons:
- (i) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
 - (ii) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10 of the Trust Deed.
- (E) **Enforcement by the Trustee:** Without prejudice to the provisions of Clause 8 of the Trust Deed the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.
- (F) **Avoidance of Payments:** The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons relating to this Note and shall in any event pay to it on demand the amount as refunded by it.
- (G) **Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Trust Deed or any payment obligation of the Issuer under the Trust Deed, this Note, any Receipts or Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.
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- (H) **Guarantor's Obligations:** The obligations of the Guarantor under this Note, the Trust Deed, any Receipts and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
- (I) **Authorisations:** The Guarantor hereby represents and warrants that all corporate approvals and authorisations required by it in connection with the giving of the Guarantee and Indemnity embodied herein have been obtained and are in full force and effect and upon the execution hereof the same shall constitute the legal, valid, binding and enforceable obligations of the Guarantor.
- (J) **Governing Law:** This Guarantee and Indemnity is governed by, and shall be construed in accordance with, English law.

Capitalised terms not defined above have the same meaning as in the Notes.

Dated as of the Issue Date

Reuters Group PLC

By:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[Conditions]

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

Pricing Supplement

[Here to be set out the text of the relevant information supplementing, replacing or modifying the Conditions which appears in the Pricing Supplement relating to the Notes]

PART IV

FORM OF RECEIPT

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

[Specified Currency and Nominal Amount of Tranche]

NOTES DUE

[Year of Maturity]

Series No. []

Receipt for the sum of [] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Note to which this Receipt appertains (the "Conditions") on [].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Note) and is payable at the specified office of any of the Paying Agents set out on the reverse of the Note to which this Receipt appertains (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders).

This Receipt must be presented for payment together with the Note to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Note to which it appertains or any unmatured Receipts.

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

¹ Delete as applicable.

PART V
FORM OF COUPON

On the front:

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

**[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]**

Series No. []

[Coupon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]].²

Section A

[For Fixed Rate Notes:

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes.

Coupon for
[]
due on[], []

Section B

[For Floating Rate Notes or Index Linked Interest Notes:

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Notes on [the Interest Payment Date falling in [] []/[]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.]

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

¹ Delete as applicable.

² Delete where the Notes are all of the same denomination.

PART VI

FORM OF TALON

On the front:

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

[Specified Currency and Nominal Amount of Tranche]

NOTES DUE

[Year of Maturity]

Series No. []

[Talon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]]².

On and after [] further Coupons [and a further Talon]³ appertaining to the Note to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Note to which this Talon appertains.

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

1 Delete as applicable.
2 Delete where the Notes are all of the same denomination.
3 Not required on last Coupon sheet.

On the back of Receipts, Coupons and Talons:

AGENT

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

PAYING AGENTS

Citigroup Global Markets Deutschland AG & Co. KGaA
Global Transaction Services
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

Banque Paribas Luxembourg
10A Boulevard Royal
L-2093 Luxembourg

PART VII

**FORM OF CERTIFICATE TO BE PRESENTED BY
EUROCLEAR OR CLEARSTREAM, LUXEMBOURG**

[REUTERS GROUP PLC/REUTERS FINANCE PLC]

[Title of Notes]

(the "Securities")

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the nominal amount set forth below (our "**Member Organisations**") substantially to the effect set forth in the temporary Global Note representing the Securities, as of the date hereof, [] nominal amount of the above-captioned Securities (i) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Sections 1.165-12(c)(1)(iv) ("**financial institutions**") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended, then this is also to certify with respect to such principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion, substantially to the effect set forth in the temporary Global Note representing the Securities.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary Global Note excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

Dated: 1

Yours faithfully,

[Euroclear Bank S.A./N.V.
as operator of the Euroclear System]

or

[Clearstream, Luxembourg]

By: _____

1 To be dated no earlier than the date to which this certification relates, namely (a) the payment date or (b) the Exchange Date.

CERTIFICATE "A"

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

[Title of Notes]

(the "Securities")

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States person(s)**"), (ii) are owned by United States person(s) that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(2) of Regulation S under the Securities Act of 1933, as amended, (the "**Act**") then this is also to certify that, except as set forth below, the Securities are beneficially owned by (a) non-U.S. person(s) or (b) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act. As used in this paragraph, the term "**U.S. person**" has the meaning given to it by Regulation S under the Act.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia); and its "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any right or collection of any interest) cannot be made until we do so certify.

1 Delete as applicable.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

Dated: 1

Name of person making certification

By: _____

1 To be dated no earlier than the fifteenth day prior to the date to which this certification relates, namely (a) the payment date or (b) the Exchange Date.

SCHEDULE 3

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. (A) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
 - (i) "**voting certificate**" shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
 - (a) that on the date thereof Notes (whether in definitive form or represented by a Global Note and not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Notes will cease to be so deposited or held until the first to occur of:
 - (1) the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
 - (2) the surrender of the certificate to the Paying Agent who issued the same; and
 - (b) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;
 - (ii) "**block voting instruction**" shall mean an English language document issued by a Paying Agent and dated in which:
 - (a) it is certified that Notes (whether in definitive form or represented by a Global Note and not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Notes will cease to be so deposited or held until the first to occur of:
 - (1) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
 - (2) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Note which is to be released or (as the case may require) the Note or Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control and the giving of notice by the Paying Agent to the relevant Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;
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- (b) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes so deposited or held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
 - (c) the aggregate nominal amount of the Notes so deposited or held are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (d) one or more persons named in such document (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such document;
- (iii) "**24 hours**" shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (iv) "**48 hours**" shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (B) A holder of a Note (whether in definitive form or represented by a Global Note) may obtain a voting certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Note by depositing such Note with such Paying Agent or (to the satisfaction of such Paying Agent) by such Note being held to its order or under its control, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in sub-paragraph (i)(a) or (ii)(a) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in sub-paragraph (ii)(b) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates and the Paying Agent with which such Notes have been deposited or the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the holder of those Notes.
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2. The relevant Issuer, the Guarantor (if applicable) or the Trustee may at any time and the relevant Issuer shall upon a requisition in writing signed by the holders of not less than one-tenth in nominal amount of the Notes for the time being outstanding convene a meeting of the Noteholders and if the relevant Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Trustee or the requisitionists. Every such meeting shall be held at such time and place as the Trustee may appoint or approve.
 3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the Noteholders prior to any meeting of the Noteholders in the manner provided by Condition 14. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that Notes may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control for the purpose of obtaining voting certificates or appointing proxies. A copy of the notice shall be sent by post to the Trustee (unless the meeting is convened by the Trustee) and to the relevant Issuer (unless the meeting is convened by the relevant Issuer) and to the Guarantor (if applicable) (unless the meeting is convened by the Guarantor).
 4. A person (who may but need not be a Noteholder) nominated in writing by the Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting or adjourned meeting the Noteholders present shall choose one of their number to be Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
 5. At any such meeting one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-twentieth of the nominal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate a clear majority in nominal amount of the Notes for the time being outstanding PROVIDED THAT at any meeting the business of which includes any of the following matters (each of which shall, subject only to Clause 19(B)(ii), only be capable of being effected after having been approved by Extraordinary Resolution) namely:
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- (i) reduction or cancellation of the amount payable or, where applicable, modification, except where such modification is in the opinion of the Trustee bound to result in an increase, of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal, premium or interest in respect of the Notes;
- (ii) alteration of the currency in which payments under the Notes and Coupons are to be made;
- (iii) alteration of the majority required to pass an Extraordinary Resolution;
- (iv) the sanctioning of any such scheme or proposal as is described in paragraph 18(I) below;
- (v) alteration of this proviso or the proviso to paragraph 6 below;

the quorum for passing the requisite Extraordinary Resolution shall be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than two-thirds of the nominal amount of the Notes for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 14 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 14 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Definitive Notes or voting certificates or being proxies (whatever the nominal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present PROVIDED THAT at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to paragraph 5 above shall be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-third of the nominal amount of the Notes for the time being outstanding.
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7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
 8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy.
 9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the relevant Issuer, the Guarantor (if applicable), the Trustee or any person present holding a Definitive Note or a voting certificate or being a proxy (whatever the nominal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
 10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.
 11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
 12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
 13. The Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of these presents and any director or officer of the relevant Issuer or, as the case may be, the Guarantor (if applicable) and its or their lawyers and any other person authorised in that behalf by the Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of "outstanding" in Clause 1, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on the Noteholders by Conditions 9 and 10 unless he either produces the Definitive Note or Notes of which he is the holder or a voting certificate or is a proxy. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or Guarantor (if applicable). Nothing herein shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the relevant Issuer or the Guarantor (if applicable).
 14. Subject as provided in paragraph 13 hereof at any meeting:
 - (A) on a show of hands every person who is present in person and produces a Definitive Note or voting certificate or is a proxy shall have one vote; and
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- (B) on a poll every person who is so present shall have one vote in respect of each £1 or such other amount as the Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Trustee in its absolute discretion may stipulate) in nominal amount of the Notes so produced in definitive form or represented by the voting certificate so produced or in respect of which he is a proxy.

Without prejudice to the obligations of the proxies named in any block voting instruction any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any block voting instruction need not be Noteholders.
16. Each block voting instruction together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the relevant Paying Agent shall be deposited by the relevant Paying Agent at such place as the Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote and in default the block voting instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction shall be deposited with the Trustee before the commencement of the meeting or adjourned meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction.
17. Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the Noteholders' instructions pursuant to which it was executed provided that no intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent by the relevant Issuer at its registered office (or such other place as may have been required or approved by the Trustee for the purpose) by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.
18. A meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
- (A) Power to sanction any compromise or arrangement proposed to be made between the relevant Issuer, the Guarantor (if applicable), the Trustee, any Appointee and the Noteholders and Couponholders or any of them.
- (B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Trustee, any Appointee, the Noteholders, the Couponholders, the relevant Issuer or the Guarantor (if applicable), against any other or others of them or against any of their property whether such rights shall arise under these presents or otherwise.
- (C) Power to assent to any modification of the provisions of these presents which shall be proposed by the relevant Issuer, or the Guarantor (if applicable), the Trustee or any Noteholder.
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- (D) Power to give any authority or sanction which under the provisions of these presents is required to be given by Extraordinary Resolution.
 - (E) Power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution.
 - (F) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of these presents.
 - (G) Power to discharge or exonerate the Trustee and/or any Appointee from all liability in respect of any act or omission for which the Trustee and/or such Appointee may have become responsible under these presents.
 - (H) Power to authorise the Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (I) Power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the relevant Issuer, the Guarantor (if applicable) or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash.
19. Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these presents shall be binding upon all the Noteholders whether present or not present at such meeting and whether or not voting and upon all Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 14 by the relevant Issuer within 14 days of such result being known PROVIDED THAT the non-publication of such notice shall not invalidate such result.
20. The expression "**Extraordinary Resolution**" when used in these presents means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with these presents by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll.
21. Minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and entered in books to be from time to time provided for that purpose by the relevant Issuer and any such Minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
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22. (A) If and whenever the relevant Issuer shall have issued and have outstanding Notes of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
- (i) a resolution which in the opinion of the Trustee affects the Notes of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that Series;
 - (ii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series but does not give rise to a conflict of interest between the holders of Notes of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the Series so affected;
 - (iii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series and gives or may give rise to a conflict of interest between the holders of the Notes of one Series or group of Series so affected and the holders of the Notes of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Notes of each Series or group of Series so affected; and
 - (iv) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Notes, Noteholders and holders were references to the Notes of the Series or group of Series in question or to the holders of such Notes, as the case may be.
- (B) If the relevant Issuer shall have issued and have outstanding Notes which are not denominated in Sterling, in the case of any meeting of holders of Notes of more than one currency the nominal amount of such Notes shall (i) for the purposes of paragraph 2 above be the equivalent in Sterling at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into Sterling on the seventh dealing day prior to the day on which the requisition in writing is received by the relevant Issuer and (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each £1 (or such other Sterling amount as the Trustee may in its absolute discretion stipulate) in nominal amount of the Notes (converted as above) which he holds or represents.
23. Subject to all other provisions of these presents the Trustee may without the consent of the relevant Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat as the Trustee may in its sole discretion think fit.
-

EXECUTED as a deed by) Sd. Rosemary Martin
REUTERS GROUP PLC)
acting by) Sd. David Grigson
and)

Company Secretary Rosemary Martin

Director David Grigson

EXECUTED as a deed by) Sd. Rosemary Martin
REUTERS FINANCE PLC)
acting by) Sd. Tim Collier
and)

Director Rosemary Martin

Director Tim Collier

EXECUTED as a deed by) Sd. Jillian Hamblin
CITICORP TRUSTEE COMPANY)
LIMITED)
acting by) Sd. David Mares
and)

Director Jillian Hamblin

Director David Mares

DATED 7th November, 2003

**REUTERS GROUP PLC
as an Issuer and as a Guarantor**

- and -

**REUTERS FINANCE PLC
as an Issuer**

- and -

CITICORP TRUSTEE COMPANY LIMITED

AMENDED AND RESTATED TRUST DEED

relating to a

£1,000,000,000

Euro Medium Term Note Programme

For the Issuer:

**LINKLATERS
One Silk Street
London EC2Y 8HQ**

For the Trustee:

**ALLEN & OVERY
One New Change
London EC4M 9QQ**

Dated 7th November, 2003

REUTERS GROUP PLC
as Issuer and Guarantor

and

REUTERS FINANCE PLC
as Issuer

and

CITIBANK, N.A.
as Agent

and

CITIBANK AG
BNP PARIBAS LUXEMBOURG
as Paying Agents

and

CITICORP TRUSTEE COMPANY LIMITED
as Trustee

AMENDED AND RESTATED
AGENCY AGREEMENT
in respect of a
£1,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

Linklaters
London

TABLE OF CONTENTS

Clause	Page
1. Definitions and Interpretation	2
2. Appointment of Agent and Paying Agents	7
3. Issue of Global Notes	9
4. Exchange of Global Notes	10
5. Determination of End of Distribution Compliance Period	11
6. Terms of Issue	12
7. Payments	13
8. Determinations and Notifications in respect of Notes	15
9. Notice of any Withholding or Deduction	16
10. Duties of The Paying Agents in Connection with Early Redemption	16
11. Receipt and Publication of Notices and Voting	17
12. Cancellation of Notes, Receipts, Coupons and Talons	17
13. Issue of Replacement Notes, Receipts, Coupons and Talons	19
14. Copies of Documents Available for Inspection	20
15. Commissions and Expenses	20
16. Indemnity	20
17. Repayment by the Agent	21
18. Conditions of Appointment	21
19. Communication between the Parties	22
20. Changes in Agent and other Paying Agents	23
21. Merger and Consolidation	24
22. Notification of Changes to Paying Agents	25
23. Change of Specified Office	25
24. Notices	25
25. Taxes and Stamp Duties	26
26. Amendments	26
27. Descriptive Headings	26
28. Contracts (Rights of Third Parties) Act 1999	26
29. Governing Law and Submission to Jurisdiction	26
30. Counterparts	26
Schedules	
1. Form of Calculation Agency Agreement	27
2. Form of Put Notice	34
Signatories	37

**AMENDED AND RESTATED
AGENCY AGREEMENT**

in respect of a

EURO MEDIUM TERM NOTE PROGRAMME

THIS AGREEMENT is made on 7th November, 2003 BETWEEN:

- (1) REUTERS GROUP PLC, of 85 Fleet Street, London EC4P 4AJ (an "**Issuer**");
- (2) REUTERS FINANCE PLC, of 85 Fleet Street, London EC4P 4AJ (an "**Issuer**", and together with Reuters Group PLC, the "**Issuers**");
- (3) CITIBANK, N.A., of 5 Carmelite Street, London EC4Y 0PA (the "**Agent**", which expression shall include any successor agent appointed in accordance with clause 20);
- (4) CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG & CO. KGaA, of Reuterweg 16, 60323 Frankfurt am Main and BNP PARIBAS LUXEMBOURG of 10A Boulevard Royal, L-2093 Luxembourg (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agent appointed in accordance with clause 20 and "**Paying Agent**" shall mean any of the Paying Agents); and
- (5) CITICORP TRUSTEE COMPANY LIMITED, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the "**Trustee**", which expression shall include all persons for the time being the trustee or the trustees of the Trust Deed).

WHEREAS:

- (A) Reuters Group PLC established a euro medium term note programme on 16th December, 1998, in connection with which programme the Issuer and certain Agents entered into an agency agreement dated 16th December, 1998, as amended and restated by an amended and restated agency agreement dated 30th March, 2001 (together, the "**Agency Agreement**").
 - (B) By resolutions of its Board of Directors, dated 24th October, 2003 and of a duly authorised committee of such Board of Directors dated 6th November, 2003, Reuters Finance PLC has resolved to join the Programme as an Issuer.
 - (C) By a resolution of its Board of Directors, dated 21st October 2003, Reuters Group PLC (in such capacity, the "**Guarantor**") has resolved to unconditionally and irrevocably guarantee pursuant to the terms of the Guarantee the issue of any Notes by Reuters Finance PLC under the Programme.
 - (D) The parties hereto have agreed to make certain modifications to the Agency Agreement.
 - (E) This Agreement amends and restates the Agency Agreement. Any Notes issued under the Programme on or after the date hereof shall (subject as provided in the next sentence) be issued pursuant to this Agreement. This does not affect any Notes issued under the programme prior to the date of this Agreement or any Notes issued on or after the date of this Agreement which are consolidated and form a single series with Notes issued prior to the date of this Agreement, all of which will be subject to the Agency Agreement.
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(F) Notes may be issued on a listed or unlisted basis. The Issuers have made an application to the Financial Services Authority in its capacity as UK Listing Authority (the "**UK Listing Authority**") for Notes issued under the Programme to be admitted to the official list maintained by the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. Notes may also be listed, traded and/or quoted on such other further listing authority or authorities, stock exchange or stock exchanges and/or quotation system or systems as the relevant Issuer and the relevant Dealer(s) may agree or may be unlisted.

(G) The parties hereto wish to record certain arrangements which they have made in relation to the Notes to be issued under the Programme.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

(1) Words and expressions defined in the Programme Agreement, the Trust Deed or the Notes or used in the applicable Pricing Supplement shall have the same meanings in this Agreement, except where the context requires otherwise or unless otherwise stated.

(2) Without prejudice to the foregoing:

"**Calculation Agency Agreement**" in relation to any Series of Notes means an agreement in or substantially in the form of Schedule 1;

"**Calculation Agent**" means, in relation to the Notes of any Series, the person appointed as calculation agent in relation to the Notes by the relevant Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of the Notes;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Conditions**" means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1 to the Trust Deed or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Pricing Supplement applicable to the Notes of the relevant Series, in each case as from time to time modified in accordance with the provisions of the Trust Deed;

"**Coupon**" means an interest coupon appertaining to a Definitive Note (other than a Zero Coupon Note), such coupon being:

(a) if appertaining to a Fixed Rate Note, in the form or substantially in the form set out in Section A of Part V of Schedule 2 to the Trust Deed or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or

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- (b) if appertaining to a Floating Rate Note or an Index Linked Interest Note, in the form or substantially in the form set out in Section B of Part V of Schedule 2 to the Trust Deed or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (c) if appertaining to a Definitive Note which is neither a Fixed Rate Note nor a Floating Rate Note nor an Index Linked Interest Note, in such form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 11;

"**Couponholders**" means the several persons who are for the time being holders of the Coupons and includes, where the context so permits, the Talonholders and references to "**relevant Couponholders**" shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Coupons appertaining to the Notes of such Series;

"**Definitive Note**" means, a definitive Note issued, or as the case may require, to be issued by the relevant Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) in exchange for either a Temporary Global Note or a Permanent Global Note (all as indicated in the applicable Pricing Supplement), such definitive Note being in the form or substantially in the form set out in Part III of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee, and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant authority or authorities, incorporating the Conditions by reference (where applicable to the Trust Deed) as indicated in the applicable Pricing Supplement and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Pricing Supplement endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue;

"**Distribution Compliance Period**" has the meaning given to such term in Regulation S under the Securities Act;

"**Dual Currency Interest Note**" means a Note in respect of which payments of interest are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

"**Dual Currency Note**" means a Dual Currency Interest Note and/or a Dual Currency Redemption Note, as applicable;

"**Dual Currency Redemption Note**" means a Note in respect of which payments of principal are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer and the relevant Dealer may agree, as indicated in the applicable Pricing Supplement;

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"Fixed Rate Note" means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement);

"Floating Rate Note" means a Note on which interest is calculated at a floating rate payable one-, two-, three-, six- or twelve-monthly or in respect of such other period or on such date(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement);

"Global Note" means a Temporary Global Note and/or a Permanent Global Note;

"Index Linked Interest Note" means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index and/or a formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

"Index Linked Note" means an Index Linked Interest Note and/or an Index Linked Redemption Amount Note, as applicable;

"Index Linked Redemption Amount Note" means a Note in respect of which the amount payable in respect of principal is calculated by reference to an index and/or a formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement);

"Maturity Date" means the day on which a Note is expressed to be redeemable;

"Permanent Global Note" means a global note in the form or substantially in the form set out in Part II of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and these presents either in exchange for the whole or part of any Temporary Global Note issued in respect of such Notes or on issue;

"Pricing Supplement" means the pricing supplement issued in relation to each Tranche of Notes (substantially in the form of Annexe C to the Operating and Administrative Procedures Memorandum) as a supplement to the Offering Circular and giving details of that Tranche;

"Programme" means the Euro Medium Term Note Programme for the issue of Notes established by, or otherwise contemplated in, the Programme Agreement;

"Programme Agreement" means the amended and restated programme agreement of even date herewith between the Issuers, the Guarantor and the Dealers named therein concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating, modifying or restating such agreement;

"Put Notice" means a notice in the form set out in Schedule 2;

"Receipt" means a receipt attached on issue to a Definitive Note redeemable in instalments for the payment of an instalment of principal, such receipt being in the form or substantially in the form set out in Part IV of Schedule 2 to the Trust Deed or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Receipts issued pursuant to Condition 11;

"Receiptholders" means the several persons who are for the time being holders of the Receipts and references to **"relevant Receiptholders"** shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Receipts appertaining to the Notes of such Series;

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent or as specified in the applicable Pricing Supplement;

"Relevant Date" has the meaning set out in Condition 7;

"Securities Act" means the United States Securities Act 1933, as amended;

"Series" means a Tranche of the Notes together with any further Tranche or Tranches of the Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **"Notes of the relevant Series"**, **"Series of Notes"** and **"holders of Notes of the relevant Series"** and related expressions shall be construed accordingly;

"Stock Exchange" means the London Stock Exchange or any other or further stock exchange(s) on which any Notes may from time to time be listed, and references in these presents to the **"relevant Stock Exchange"** shall, in relation to any Notes, be references to the Stock Exchange on which such Notes are, from time to time, or are intended to be, listed;

"Subsidiary" means any company which is for the time being a subsidiary (within the meaning of Section 736 of the Companies Act 1985 of Great Britain, as amended) of an Issuer or the Guarantor, as the case may be;

"Talonholders" means the several persons who are for the time being holders of the Talons and references to **"relevant Talonholders"** shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Talons appertaining to the Notes of such Series;

"Talons" means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, a Definitive Note (other than a Zero Coupon Note), such talons being in the form or substantially in the form set out in Part VI of Schedule 2 to the Trust Deed or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 11;

"Temporary Global Note" means a global note in the form or substantially in the form set out in Part 1 of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Pricing Supplement annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and the Trust Deed;

"**the London Stock Exchange**" means the London Stock Exchange plc and any successor thereto;

"**Tranche**" means all Notes which are identical in all respects (including as to listing);

"**Trust Deed**" means the Trust Deed dated the date hereof made between the Issuers, the Guarantor and the Trustee, by which the Notes will be constituted; and

"**Zero Coupon Note**" means a Note on which no interest is payable.

(3) Words denoting the singular number only shall include the plural number also and *vice versa*;

words denoting one gender only shall include the other gender; and

words denoting persons only shall include firms and corporations and *vice versa*.

(4) All references in this Agreement to costs or charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof.

(5) For the purposes of this Agreement, the Notes of each Series shall form a separate series of Notes and the provisions of this Agreement shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in this Agreement the expressions "**Notes**", "**Noteholders**", "**Receipts**", "**Receiptholders**", "**Coupons**", "**Couponholders**" and "**Talons**" shall be construed accordingly.

(6) All references in this Agreement to principal and/or interest or both in respect of the Notes or to any moneys payable by the Issuers under this Agreement shall have the meaning set out in Condition 5(f).

(7) All references in this Agreement to the "**relevant currency**" shall be construed as references to the currency in which the relevant Notes and/or Coupons are denominated (or payable in the case of Dual Currency Notes).

(8) In this Agreement, clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement. All references in this Agreement to the provisions of any statute shall be deemed to be references to that statute as from time to time modified, extended, amended or re-enacted or to any statutory instrument, order or regulation made thereunder or under such re-enactment.

(9) All references in this Agreement to an agreement, instrument or other document (including, without limitation, this Agreement, the Programme Agreement, the Trust Deed, the Procedures Memorandum, the Notes and any Conditions appertaining thereto) shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied or supplemented from time to time.

(10) Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuers, the Guarantor (if applicable), the Trustee and the Agent.

(11) Any references to Notes shall, unless the context otherwise requires, include any Global Note(s) representing such Notes.

(12) As used herein, in relation to any Notes which are to have a "listing" or be "listed" on the London Stock Exchange, "listing" and "listed" shall be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange.

2. APPOINTMENT OF AGENT AND PAYING AGENTS

(1) The Agent is hereby appointed, and the Agent hereby agrees to act, as agent of the Issuers and the Guarantor (and, for the purposes of sub-clause (4) below, the Trustee,) upon the terms and subject to the conditions set out below, for the purposes of, *inter alia*:

- (a) completing, authenticating and delivering Global Notes and (if required) completing, authenticating and delivering Definitive Notes;
 - (b) exchanging Temporary Global Notes for Permanent Global Notes and/or Definitive Notes, as the case may be, in accordance with the terms of such Temporary Global Notes and making all notations on such Temporary Global Notes required in accordance with their terms;
 - (c) exchanging Permanent Global Notes for Definitive Notes in accordance with the terms of such Permanent Global Notes and making all notations on such Permanent Global Notes required in accordance with their terms;
 - (d) paying sums due on Global Notes and Definitive Notes, Receipts and Coupons;
 - (e) exchanging Talons for Coupons in accordance with the Conditions;
 - (f) determining the end of the Distribution Compliance Period applicable to each Tranche in accordance with clause 5 below;
 - (g) unless otherwise specified in the applicable Pricing Supplement, determining the interest and/or other amounts payable in respect of the Notes in accordance with the Conditions;
 - (h) arranging on behalf of and at the expense of the Issuers (and, if applicable, the Guarantor) for notices to be communicated to the Noteholders in accordance with the Conditions;
 - (i) preparing and sending monthly reports, if required, to the Bank of England and ensuring that, as directed by the Issuers (or, if applicable, the Guarantor), all necessary action is taken to comply with any reporting requirements of any competent authority in respect of any relevant currency as may be in force from time to time with respect to the Notes to be issued under the Programme;
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- (j) subject to the Procedures Memorandum, submitting to the relevant authority or authorities such number of copies of each Pricing Supplement which relates to Notes which are to be listed as the relevant authority or authorities may reasonably require;
 - (k) acting as Calculation Agent in respect of Notes where named as such in the relevant Pricing Supplement;
 - (l) sending a copy of each Pricing Supplement to the other Paying Agents; and
 - (m) performing all other obligations and duties imposed upon it by the Conditions and this Agreement.
- (2) Each Paying Agent is hereby appointed as paying agent of the Issuers and the Guarantor (and, for the purposes of sub-clause (4) below, the Trustee), upon the terms and subject to the conditions set out below, for the purposes of paying sums due on Notes, Receipts and Coupons and of performing all other obligations and duties imposed upon it by the Conditions and this Agreement.
- (3) The obligations of the Paying Agents under this Agreement are several and not joint.
- (4) At any time after an Event of Default or a Potential Event of Default shall have occurred the Trustee may:
- (a) by notice in writing to the relevant Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents require the Agent and the other Paying Agents pursuant to this Agreement:
 - (i) to act thereafter as Agent and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions of the Trust Deed *mutatis mutandis* on the terms provided in this Agreement (save that the Trustee's liability under any provisions of this Agreement shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed relating to the relative Notes and available for such purpose) and thereafter to hold all Notes, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of the Notes, Receipts, Coupons and Talons on behalf of the Trustee; or
 - (ii) to deliver up all Notes, Receipts Coupons and Talons and all sums, documents and records held by them in respect of Notes and Coupons to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Agent or the relevant other Paying Agent is obliged not to release by any law or regulation; and
 - (b) by notice in writing to the relevant Issuer and, if applicable, the Guarantor, require it to make all subsequent payments in respect of the Notes, Receipts, Coupons and Talons to or to the order of the Trustee and not to the Agent; with effect from the issue of any such notice to the relevant Issuer and, if applicable, the Guarantor, and unless and until such notice is withdrawn the proviso to sub-clause (B) of clause 2 of the Trust Deed shall cease to have effect.
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At such time as the Trustee shall be satisfied that no Event of Default or Potential Event of Default is continuing the Trustee shall by notice in writing to the relevant Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents pursuant to this Agreement withdraw any notice given pursuant to this clause whereupon any such notice shall cease to apply.

In such circumstances the Trustee shall not be responsible for supervising the proceedings or acts of the Agent and the other Paying Agents.

3. ISSUE OF GLOBAL NOTES

- (1) Subject to sub-clause 6(7) below, following receipt of a faxed copy of the Pricing Supplement signed by the relevant Issuer, the relevant Issuer hereby authorises the Agent and the Agent hereby agrees to take the steps required of the Agent in the Procedures Memorandum.
 - (2) For the purpose of sub-clause (1), the Agent will, *inter alia*, on behalf of the relevant Issuer if specified in the applicable Pricing Supplement that a Temporary Global Note will initially represent the Tranche of Notes:
 - (a) prepare a Temporary Global Note by attaching a copy of the applicable Pricing Supplement to a copy of the applicable master Temporary Global Note;
 - (b) authenticate such Temporary Global Note in accordance with the provisions of the Trust Deed;
 - (c) deliver such Temporary Global Note to the specified common depository of Euroclear and/or Clearstream, Luxembourg against receipt from the common depository of confirmation that such common depository is holding the Temporary Global Note in safe custody for the account of Euroclear and/or Clearstream, Luxembourg and instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) unless otherwise agreed in writing between the Agent and the relevant Issuer (i) in the case of an issue of Notes not subscribed pursuant to a Subscription Agreement, to credit the Notes represented by such Temporary Global Note to the Agent's distribution account, and (ii) in the case of an issue of Notes subscribed pursuant to a Subscription Agreement, to hold the Notes represented by such Temporary Global Note to the relevant Issuer's order; and
 - (d) unless the relevant Issuer otherwise directs, to ensure that the Notes of each Tranche are assigned, as applicable, security numbers (including, but not limited to, common codes and ISIN) which are different from the security numbers assigned to Notes of any other Tranche of the same Series until at least expiry of the applicable Distribution Compliance Period of such Tranche.
 - (3) For the purpose of sub-clause (1), the Agent will, *inter alia*, on behalf of the relevant Issuer if specified in the applicable Pricing Supplement that a Permanent Global Note will represent the Notes on issue:
 - (a) in the case of the first Tranche of any Series of Notes, prepare a Permanent Global Note by attaching a copy of the applicable Pricing Supplement to a copy of the master Permanent Global Note;
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- (b) in the case of the first Tranche of any Series of Notes, authenticate such Permanent Global Note in accordance with the provisions of the Trust Deed;
 - (c) in the case of the first Tranche of any Series of Notes, deliver such Permanent Global Note to the specified common depository of Euroclear and/or Clearstream, Luxembourg against receipt from the common depository of confirmation that such common depository is holding the Permanent Global Note in safe custody for the account of Euroclear and Clearstream, Luxembourg and instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) unless otherwise agreed in writing between the Agent and the relevant Issuer (i) in the case of an issue of Notes not subscribed pursuant to a Subscription Agreement, to credit the Notes represented by such Permanent Global Note to the Agent's distribution account, and (ii) in the case of an issue of Notes subscribed pursuant to a Subscription Agreement, to hold the Notes represented by such Permanent Global Note to the relevant Issuer's order;
 - (d) in any other case attach a copy of the applicable Pricing Supplement to the Permanent Global Note applicable to the relevant Series and instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) unless otherwise agreed in writing between the Agent and the relevant Issuer (i) in the case of an issue of Notes not subscribed pursuant to a Subscription Agreement, to credit the Notes the subject of the applicable Pricing Supplement to the Agent's distribution account, and (ii) in the case of an issue of Notes subscribed pursuant to a Subscription Agreement, to hold the Notes the subject of the applicable Pricing Supplement to the relevant Issuer's order; and
 - (e) unless the relevant Issuer otherwise directs, ensure that the Notes of each Tranche are assigned as applicable, security numbers (including, but not limited to, common codes and ISINs) which are different from the security numbers assigned to the Notes of any other Tranche of the same Series until at least expiry of the applicable Distribution Compliance Period of such Tranche.

4. EXCHANGE OF GLOBAL NOTES

- (1) The Agent shall determine the Exchange Date for each Temporary Global Note in accordance with the terms thereof. Forthwith upon determining the Exchange Date in respect of any Tranche, the Agent shall notify such determination to the relevant Issuer, the relevant Dealer, Euroclear and Clearstream, Luxembourg. On or after the Exchange Date, the Agent shall deliver, upon notice from Euroclear and Clearstream, Luxembourg, a Permanent Global Note or Definitive Notes, as the case may be, in accordance with the terms of the Temporary Global Note.
 - (2) Where a Temporary Global Note is to be exchanged for a Permanent Global Note, the Agent is hereby authorised by the relevant Issuer and instructed:
 - (a) in the case of the first Tranche of any Series of Notes, to prepare and complete a Permanent Global Note in accordance with the terms of the Temporary Global Note applicable to such Tranche by attaching a copy of the applicable Pricing Supplement to a copy of the master Permanent Global Note;
 - (b) in the case of the first Tranche of any Series of Notes, to authenticate such Permanent Global Note;
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- (c) in the case of the first Tranche of any Series of Notes, to deliver such Permanent Global Note to the common depositary which is holding the Temporary Global Note applicable to such Tranche for the time being on behalf of Euroclear and/or Clearstream, Luxembourg either in exchange for such Temporary Global Note or, in the case of a partial exchange, on entering details of such partial exchange of the Temporary Global Note in the relevant spaces in Schedule Two of both the Temporary Global Note and the Permanent Global Note; and
 - (d) in any other case, to attach a copy of the applicable Pricing Supplement to the Permanent Global Note applicable to the relevant Series and to enter details of any exchange in whole or part as aforesaid.
- (3) Where a Global Note is to be exchanged for Definitive Notes in accordance with its terms, the Agent is hereby authorised by the relevant Issuer and instructed:
- (a) to authenticate such Definitive Notes in accordance with the provisions of this Agreement; and
 - (b) to deliver such Definitive Notes to or to be order of Euroclear and/or Clearstream, Luxembourg.
- (4) Upon any exchange of all or a portion of an interest in a Temporary Global Note for an interest in a Permanent Global Note or upon any exchange of all or a portion of an interest in a Global Note for Definitive Notes, the relevant Global Note shall be endorsed by the Agent to reflect the reduction of its nominal amount by the aggregate nominal amount so exchanged and, where applicable, the Permanent Global Note shall be endorsed by the Agent or on its behalf to reflect the increase in its nominal amount as a result of any exchange for an interest in the Temporary Global Note. Until exchange in full, the holder of an interest in any Global Note shall in all respect be entitled to the same benefits under this Agreement as the holder of Definitive Notes, Receipts and Coupons authenticated and delivered hereunder, subject as set out in the Conditions. The Agent is hereby authorised on behalf of the relevant Issuer (a) to endorse or to arrange for the endorsement of the relevant Global Note to reflect the reduction in the nominal amount represented thereby by the amount so exchanged and, if appropriate, to endorse the Permanent Global Note to reflect any increase in the nominal amount represented thereby and, in either case, to sign in the relevant space on the relevant Global Note recording such exchange and reduction or increase and (b) in the case of a total exchange, to cancel or arrange for the cancellation of the relevant Global Note.
- (5) The Agent shall notify the relevant Issuer forthwith upon receipt of a request for issue of Definitive Notes in accordance with the provisions of a Global Note and the aggregate nominal amount of such Global Note to be exchanged in connection therewith. The relevant Issuer undertakes to deliver to the Agent sufficient numbers of executed Definitive Notes with, if applicable, Receipts, Coupons and Talons attached to enable the Agent to comply with its obligations under this clause.

5. DETERMINATION OF END OF DISTRIBUTION COMPLIANCE PERIOD

- (1) In the case of a Tranche in respect of which there is only one Dealer, the Agent will determine the end of the Distribution Compliance Period in respect of such Tranche as being the fortieth day following the date certified by the relevant Dealer to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.
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- (2) In the case of a Tranche in respect of which there is more than one Dealer but which is not issued on a syndicated basis, the Agent will determine the end of the Distribution Compliance Period in respect of such Tranche as being the fortieth day following the latest of the dates certified by all the relevant Dealers to the Agent as being the respective dates as of which distribution of the Notes of that Tranche purchased by each such Dealer was completed.
 - (3) In the case of a Tranche issued on a syndicated basis, the Agent will determine the end of the Distribution Compliance Period in respect of such Tranche as being the fortieth day following the date certified by the Lead Manager to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.
 - (4) Forthwith upon determining the end of the Distribution Compliance Period in respect of any Tranche, the Agent shall notify such determination to the relevant Issuer, Euroclear, Clearstream, Luxembourg and the relevant Dealer or Lead Manager, as the case may be.

6. TERMS OF ISSUE

- (1) The Agent shall cause all Temporary Global Notes, Permanent Global Notes and Definitive Notes delivered to and held by it under this Agreement to be maintained in safe custody and shall ensure that such Notes are issued only in accordance with the provisions of this Agreement, the Trust Deed and the relevant Global Note.
 - (2) Subject to the procedures set out in the Procedures Memorandum, for the purposes of clause 3 the Agent is entitled to treat a telephone, telex or facsimile communication from a person purporting to be (and who the Agent believes in good faith to be) the authorised representative of the relevant Issuer named in the list referred to in, or notified pursuant to, clause 18(7) as sufficient instructions and authority of the relevant Issuer for the Agent to act in accordance with clause 3.
 - (3) In the event that a person who has signed on behalf of the relevant Issuer any Note not yet issued but held by the Agent in accordance with clause 3 ceases to be authorised as described in clause 18(7), the Agent shall (unless the relevant Issuer gives notice to the Agent that Notes signed by that person do not constitute valid and binding obligations of the relevant Issuer or otherwise until replacements have been provided to the Agent) continue to have authority to issue any such Notes, and the relevant Issuer hereby warrants to the Agent that such Notes shall, unless notified as aforesaid, be valid and binding obligations of the relevant Issuer. Promptly upon such person ceasing to be authorised, the relevant Issuer shall provide the Agent with replacement Notes and upon receipt of such replacement Notes the Agent shall cancel and destroy the Notes held by it which are signed by such person and shall provide to the relevant Issuer a confirmation of destruction in respect thereof specifying the Notes so cancelled and destroyed.
 - (4) Unless otherwise agreed in writing between the relevant Issuer and the Agent, each Note credited to the Agent's distribution account with Euroclear or Clearstream, Luxembourg following delivery of a Temporary Global Note to a common depository pursuant to clause 3(c)(i) shall be held to the order of the relevant Issuer.
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- (5) If the Agent pays an amount (the "**Advance**") to the relevant Issuer on the basis that a payment (the "**Payment**") has been, or will be, received from a Dealer and if the Payment is not received by the Agent on the date the Agent pays the relevant Issuer, the relevant Issuer shall repay to the Agent the Advance and shall pay interest on the Advance (or the unreimbursed portion thereof) from (and including) the date such Advance is made to (but excluding) the earlier of repayment of the Advance and receipt by the Agent of the Payment (at a rate quoted at that time by the Agent as its cost of funding the Advance provided that evidence of the basis of such rate is given to the relevant Issuer).
 - (6) Except in the case of issues where the Agent does not act as receiving bank for the relevant Issuer in respect of the purchase price of the Notes being issued, if on the relevant Issue Date a Dealer does not pay the full purchase price due from it in respect of any Note (the "**Defaulted Note**") and, as a result, the Defaulted Note remains in the Agent's distribution account with Euroclear and/or Clearstream, Luxembourg after such Issue Date, the Agent will continue to hold the Defaulted Note to the order of the relevant Issuer. The Agent shall notify the relevant Issuer forthwith of the failure of the Dealer to pay the full purchase price due from it in respect of any Defaulted Note and, subsequently, shall notify the relevant Issuer forthwith upon receipt from the Dealer of the full purchase price in respect of such Defaulted Note.
 - (7) The Agent shall only be required to perform its obligations under clause 3 or sub-clause 4(2) above if it holds:
 - (a) a master Temporary Global Note for Sterling denominated Notes and a master Temporary Global Note for non-sterling denominated Notes, each duly executed by a person or persons authorised to execute the same on behalf of the relevant Issuer, which may be used by the Agent for the purpose of preparing a Temporary Global Note in accordance with clause 3 above; and
 - (b) a master Permanent Global Note for Sterling denominated Notes and a master Permanent Global Note for non-sterling denominated Notes, each duly executed by a person or persons authorised to execute the same on behalf of the relevant Issuer, which may be used by the Agent for the purpose of preparing a Permanent Global Note in accordance with sub-clause 4(2) above.
 - (8) The Agent will provide Euroclear and/or Clearstream, Luxembourg with the notifications, instructions or other information to be given by the Agent to Euroclear and/or Clearstream, Luxembourg.

7. PAYMENTS

- (1) The relevant Issuer or, if applicable, the Guarantor will, before 10.00 a.m. (local time in the relevant financial centre of the payment or London time, in the case of a Payment in euro), on each date on which any payment in respect of any Note becomes due, transfer for value on such date to an account specified by the Agent such amount in the relevant currency in immediately available and freely transferable funds as shall be sufficient for the purposes of such payment in funds settled through such payment system as the Agent and the relevant Issuer may agree.
 - (2) The relevant Issuer or, if applicable, the Guarantor will ensure that no later than 10.00 a.m. (London time) on the second Business Day (as defined below) immediately preceding the date on which any payment is to be made to the Agent pursuant to sub-clause (1), the Agent shall receive an irrevocable payment confirmation by tested telex or authenticated SWIFT message from the paying bank of the relevant Issuer of its intention to make such payment.
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For the purposes of this clause "**Business Day**" means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments in London and any other place specified in the applicable Pricing Supplement as an Additional Business Centre; and
 - (b) either (i) in relation to a payment to be made in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London, and any Additional Business Centre) and which, if the Specified Currency is Australian Dollars, shall be Sydney or (ii) in relation to any sum payable in euro, a day on which the Trans European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "**TARGET System**") is open.
- (3) The Agent shall ensure that payments of both principal and interest in respect of a Temporary Global Note will be made only to the extent that certification of non-U.S. beneficial ownership as required by U.S. securities laws and U.S. Treasury regulations (in the form set out in the Temporary Global Note) has been received from Euroclear and/or Clearstream, Luxembourg in accordance with the terms thereof.
 - (4) Subject to the Agent being satisfied in its discretion that payment will be duly made as provided in sub-clause (1) above or subject to the full amount of such payment being made to the Agent, the Agent or the relevant Paying Agent shall pay or cause to be paid all amounts due in respect of the Notes on behalf of the relevant Issuer and the Guarantor (if applicable) in the manner provided in the Conditions. If any payment provided for in sub-clause (1) is made late but otherwise in accordance with the provisions of this Agreement, the Agent and each Paying Agent shall nevertheless make payments in respect of the Notes as aforesaid following receipt by it of such payment.
 - (5) If for any reason the Agent considers in its sole discretion that the amounts to be received by the Agent pursuant to sub-clause (1) will be, or the amounts actually received by it pursuant thereto are, insufficient to satisfy all claims in respect of all payments then falling due in respect of the Notes, neither the Agent nor any Paying Agent shall be obliged to pay any such claims until the Agent has received the full amount of all such payments.
 - (6) Without prejudice to sub-clauses (4) and (5), if the Agent pays any amounts to the holders of Notes, Receipts or Coupons or to any Paying Agent at a time when it has not received payment in full in respect of the relevant Notes in accordance with sub-clause (1) (the excess of the amounts so paid over the amounts so received being the "**Shortfall**"), the relevant Issuer (or, if applicable, the Guarantor) will, in addition to paying amounts due under sub-clause (1), pay to the Agent on demand interest (at a rate which represents the Agent's cost of funding the Shortfall) on the Shortfall (or the unreimbursed portion thereof) until the receipt in full by the Agent of the Shortfall.
 - (7) The Agent shall on demand promptly reimburse each Paying Agent for payments in respect of Notes properly made by such Paying Agent in accordance with this Agreement and the Conditions unless the Agent has notified the Paying Agent, prior to the opening of business in the location of the office of the Paying Agent through which payment in respect of the Notes can be made on the due date of a payment in respect of the Notes, that the Agent does not expect to receive sufficient funds to make payment of all amounts falling due in respect of such Notes.
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- (8) Whilst any Notes are represented by Global Notes, all payments due in respect of such Notes shall be made to, or to the order of, the holder of the Global Notes, subject to and in accordance with the provisions of the Global Notes. On the occasion of any such payment the Paying Agent to which the Global Note was presented for the purpose of making such payment shall cause the appropriate Schedule to the relevant Global Note to be annotated so as to evidence the amounts and dates of such payments of principal and/or interest as applicable.
 - (9) If the amount of principal and/or interest then due for payment is not paid in full (otherwise than by reason of a deduction required by law to be made therefrom), the Paying Agent to which a Note is presented for the purpose of making such payment shall make a record of such Shortfall on the Note and such record shall, in the absence of manifest error, be *prima facie* evidence that the payment in question has not to that extent been made. Further, in the event of such Shortfall, the Agent shall notify the Trustee of such Shortfall.

8. DETERMINATIONS AND NOTIFICATIONS IN RESPECT OF NOTES

- (1) The Agent shall, unless otherwise specified in the applicable Pricing Supplement, act as Calculation Agent and shall make all such determinations and calculations (howsoever described) as it is required to do under the Conditions, all subject to and in accordance with the Conditions.
 - (2) The Agent shall not be responsible to the relevant Issuer, the Guarantor (if applicable), the Trustee or to any third party (except in the event of negligence, default or bad faith of the Agent, as the case may be) as a result of the Agent having acted on any quotation given by any Reference Bank which subsequently may be found to be incorrect.
 - (3) The Agent shall promptly notify (and confirm in writing to) the relevant Issuer, the Guarantor (if applicable), the Trustee, the other Paying Agents and (in respect of a Series of Notes listed on a Stock Exchange) the relevant Stock Exchange of, *inter alia*, each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions as soon as practicable after the determination thereof and of any subsequent amendment thereto pursuant to the Conditions.
 - (4) The Agent shall use its best endeavours to cause each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions to be published as required in accordance with the Conditions as soon as possible after their determination or calculation.
 - (5) If the Agent at any time defaults in its obligation to determine and/or calculate and/or publish the Rate of Interest, Interest Amount and/or Interest Payment Date in respect of any Interest Period or any other amount, rate or date as provided in this clause, it shall forthwith notify the relevant Issuer, the Guarantor (if applicable), the Trustee and the other Paying Agents of such fact.
 - (6) Determinations with regard to Notes (including, without limitation, Index Linked Notes and Dual Currency Notes) shall be made by the Agent or such other Calculation Agent specified in the applicable Pricing Supplement in the manner specified in the applicable Pricing Supplement. Unless otherwise agreed between the relevant Issuer and the relevant Dealer or unless the Agent is the Calculation Agent (in which case the provisions of this Agreement shall apply), such determinations shall be made on the basis of a Calculation Agency Agreement substantially in the form of Schedule 1 to this Agreement.
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9. NOTICE OF ANY WITHHOLDING OR DEDUCTION

- (1) If the relevant Issuer or, if applicable, the Guarantor is, in respect of any payment, compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the Conditions, the relevant Issuer shall give notice thereof to the Agent and the Trustee as soon as it becomes aware of the requirement to make such withholding or deduction and shall give to the Agent such information as it shall require to enable it to comply with such requirement and the Agent shall comply with such requirement.
- (2) If any Paying Agent is, in respect of any payment of principal or interest in respect of the Notes, compelled to withhold or deduct any amount for or on account of any taxes, duties, assessments or governmental charges as specifically contemplated under the Conditions, other than arising under sub-clause (1) above or by virtue of the relevant holder failing to perform any certification or other requirement in respect of its Notes, it shall give notice thereof to the relevant Issuer and the Agent as soon as it becomes aware of such compulsion to withhold or deduct.

10. DUTIES OF THE PAYING AGENTS IN CONNECTION WITH EARLY REDEMPTION

- (1) If the relevant Issuer decides to redeem any Notes for the time being outstanding prior to their Maturity Date in accordance with the Conditions, the relevant Issuer shall give notice of such decision to the Agent and the Trustee not less than 15 days before the date on which the relevant Issuer will give notice to the Noteholders in accordance with the Conditions of such redemption in order to enable the Agent to undertake its obligations herein and in the Conditions.
 - (2) If some only of the Notes are to be redeemed on such date, the Agent shall, in the case of Definitive Notes, make the required drawing in accordance with the Conditions but shall give the relevant Issuer and the Trustee reasonable notice of the time and place proposed for such drawing and the relevant Issuer and the Trustee shall be entitled to send representatives to attend such drawing and shall, in the case of Notes in global form, co-ordinate the selection of Notes to be redeemed with Euroclear and Clearstream, Luxembourg, all in accordance with the Conditions.
 - (3) The Agent shall publish the notice required in connection with any such redemption and shall at the same time also publish a separate list of the serial numbers of any Notes previously drawn and not presented for redemption. Such notice shall specify the date fixed for redemption, the redemption amount, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers of the Notes to be redeemed. Such notice will be published in accordance with the Conditions. The Agent will also notify the other Paying Agents and the Trustee of any date fixed for redemption of any Notes.
 - (4) Each Paying Agent will keep a stock of Put Notices and will make such notices available on demand to holders of Notes, the Conditions of which provide for redemption at the option of Noteholders. Upon receipt of any Note deposited in the exercise of such option in accordance with the Conditions, the Paying Agent with which such Note is deposited shall hold such Note (together with any Receipts, Coupons and Talons relating to it deposited with it)
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on behalf of the depositing Noteholder (but shall not, save as provided below, release it) until the due date for redemption of the relevant Note consequent upon the exercise of such option, when, subject as provided below, it shall present such Note (and any such Receipts, Coupons and Talons) to itself for payment of the amount due thereon together with any interest due on such date in accordance with the Conditions and shall pay such moneys in accordance with the directions of the Noteholder contained in the relevant Put Notice. If, prior to such due date for its redemption, such Note becomes immediately due and payable or if upon due presentation payment of such redemption moneys is improperly withheld or refused, the Paying Agent concerned shall post such Note (together with any such Receipts, Coupons and Talons) by uninsured post to, and at the risk of, the relevant Noteholder unless the Noteholder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Notes at such address as may have been given by the Noteholder in the relevant Put Notice. At the end of each period for the exercise of such option, each Paying Agent shall promptly notify the Agent of the principal amount of the Notes in respect of which such option has been exercised with it together with their serial numbers and the Agent shall promptly notify such details to the relevant Issuer and the Trustee.

11. RECEIPT AND PUBLICATION OF NOTICES AND VOTING

- (1) Forthwith upon the receipt by the Agent of a demand or notice from any Noteholder in accordance with the Conditions the Agent shall forward a copy thereof to the relevant Issuer, the Guarantor (if applicable) and the Trustee.
- (2) On behalf of and at the request and expense of the relevant Issuer or, if applicable, the Guarantor, the Agent shall cause to be published all notices required to be given by the relevant Issuer, the Guarantor (if applicable) or the Trustee to the Noteholders in accordance with the Conditions.
- (3) Each Paying Agent shall, at the request of any Noteholder, issue voting certificates and/or block voting instructions in a form and manner which complies with the provisions of Schedule 3 to the Trust Deed (except that it shall not be required to issue the same less than 48 hours before the time fixed for any meeting or adjourned meeting of the Noteholders) and shall forthwith give to the relevant Issuer, the Guarantor (if applicable) and the Trustee, by telex or by facsimile transmission, notice of any revocation of or amendment to any block voting instruction. Each Paying Agent shall keep a full and complete record of all voting certificates and block voting instructions issued by it and shall deliver to the relevant Issuer at its registered office (or such other place as the Trustee shall have designated or approved for the purpose), not less than 24 hours before the time appointed for any meeting or adjourned meeting, full particulars of all voting certificates and block voting instructions issued by it in respect of such meeting or adjourned meeting. Forms for this purpose shall be made available to the Agent by the Trustee at the expense of the relevant Issuer or, if applicable, the Guarantor, for distribution to the other Paying Agents.

12. CANCELLATION OF NOTES, RECEIPTS, COUPONS AND TALONS

- (1) All Notes which are redeemed, all Global Notes which are exchanged in full, all Receipts and Coupons which are paid and all Talons which are exchanged shall be cancelled by the Agent or Paying Agent by which they are redeemed, paid or exchanged. In addition, all Notes which are purchased by or on behalf of the relevant Issuer, or any of its Subsidiaries and are surrendered to a Paying Agent for cancellation, together (in the case of Definitive Notes) with all unmatured Receipts, Coupons or Talons (if any) attached thereto or surrendered therewith, shall be cancelled by the Paying Agent to which they are surrendered. Each of the other Paying Agents shall give to the Agent details of all payments made by it and shall deliver all cancelled Notes, Receipts, Coupons and Talons to the order of the Agent.
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- (2) A certificate stating:
- (a) the aggregate nominal amount of Notes which have been redeemed and the aggregate amount paid in respect thereof;
 - (b) the number of Notes cancelled together (in the case of Notes in definitive form) with details of all unmatured Receipts, Coupons or Talons (if any) attached thereto or delivered therewith;
 - (c) the aggregate amount paid in respect of interest on the Notes;
 - (d) the total number by maturity date of Receipts, Coupons and Talons so cancelled;
 - (e) (in the case of Definitive Notes) the serial numbers of such Notes; and
 - (f) such other information as the relevant Issuer is required to give to the Trustee under clause 6 of the Trust Deed,
- shall be given to the relevant Issuer and the Trustee by the Agent (after receipt of a written request from the relevant Issuer or Trustee) as soon as reasonably practicable and in any event within three months after the date of such repayment or, as the case may be, payment or exchange.
- (3) The Agent shall destroy all cancelled Notes, Receipts, Coupons and Talons and, forthwith upon destruction, furnish the relevant Issuer and the Trustee with a certificate of the serial numbers of the Notes (in the case of Notes in definitive form) and the number by maturity date of Receipts, Coupons and Talons so destroyed.
- (4) Without prejudice to the obligations of the Agent pursuant to sub-clause (2), the Agent shall keep a full and complete record of all Notes, Receipts, Coupons and Talons (other than the total number by maturity of Coupons, except those which have been replaced pursuant to Condition 11) and of their redemption, purchase by or on behalf of the relevant Issuer or, if applicable, the Guarantor or any of their respective Subsidiaries and cancellation, payment or exchange (as the case may be) and of all replacement notes, receipts, coupons or talons issued in substitution for mutilated, defaced, destroyed, lost or stolen Notes, Receipts, Coupons or Talons. The Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of ten years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the total number by maturity of Coupons of that maturity still remaining unpaid or unexchanged. The Agent shall at all reasonable times make such record available to the relevant Issuer, the Guarantor (if applicable), the Trustee and any persons authorised by either of them for inspection and for the taking of copies thereof or extracts therefrom.
- (5) All records and certificates made or given pursuant to this clause and clause 13 shall make a distinction between Notes, Receipts, Coupons and Talons of each Series.
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13. ISSUE OF REPLACEMENT NOTES, RECEIPTS, COUPONS AND TALONS

- (1) Each Issuer will cause a sufficient quantity of additional forms of Notes, Receipts, Coupons and Talons to be available, upon request, to the Agent at its specified office for the purpose of issuing replacement Notes, Receipts, Coupons and Talons as provided below.
 - (2) The Agent will, subject to and in accordance with the Conditions and the following provisions of this clause, cause to be delivered any replacement Notes, Receipts, Coupons and Talons which the relevant Issuer may determine to issue in place of Notes, Receipts, Coupons and Talons which have been lost, stolen, mutilated, defaced or destroyed.
 - (3) In the case of a mutilated or defaced Note, the Agent shall ensure that (unless otherwise covered by such indemnity as the relevant Issuer may reasonably require) any replacement Note will only have attached to it Receipts, Coupons and Talons corresponding to those (if any) attached to the mutilated or defaced Note which is presented for replacement.
 - (4) The Agent shall not issue any replacement Note, Receipt, Coupon or Talon unless and until it is satisfied after making proper enquiries that the relevant Note, Receipt, Coupon or Talon has not been presented for payment or redemption to the Trustee, the relevant Issuer or another Paying Agent and the claimant therefor shall have:
 - (a) paid such costs and expenses as may be incurred in connection therewith;
 - (b) furnished it with such evidence and indemnity as the relevant Issuer may reasonably require; and
 - (c) in the case of any mutilated or defaced Note, Receipt, Coupon or Talon, surrendered it to the Agent.
 - (5) The Agent shall cancel any mutilated or defaced Notes, Receipts, Coupons and Talons in respect of which replacement Notes, Receipts, Coupons and Talons have been issued pursuant to this clause and shall furnish the relevant Issuer and the Trustee with a certificate stating the serial numbers of the Notes, Receipts, Coupons and Talons so cancelled and, unless otherwise instructed by the relevant Issuer in writing, shall destroy such cancelled Notes, Receipts, Coupons and Talons and furnish the relevant Issuer and the Trustee with a destruction certificate containing the information specified in sub-clause 12(3).
 - (6) The Agent shall, on issuing any replacement Note, Receipt, Coupon or Talon, forthwith inform the relevant Issuer, the Trustee and the other Paying Agents of the serial number of such replacement Note, Receipt, Coupon or Talon issued and (if known) of the serial number of the Note, Receipt, Coupon or Talon in place of which such replacement Note, Receipt, Coupon or Talon has been issued. Whenever replacement Receipts, Coupons or Talons are issued pursuant to the provisions of this clause, the Agent shall also notify the Trustee and the other Paying Agents of the maturity dates of the lost, stolen, mutilated, defaced or destroyed Receipts, Coupons or Talons and of the replacement Receipts, Coupons or Talons issued.
 - (7) The Agent shall keep a full and complete record of all replacement Notes, Receipts, Coupons and Talons issued and shall make such record available at all reasonable times to the relevant Issuer, the Guarantor (if applicable), the Trustee and any persons authorised by any of them for inspection and for the taking of copies thereof or extracts therefrom.
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- (8) Whenever any Note, Receipt, Coupon or Talon for which a replacement Note, Receipt, Coupon or Talon has been issued and in respect of which the serial number is known is presented to the Agent or any of the other Paying Agents for payment, the Agent or, as the case may be, the relevant other Paying Agent shall immediately send notice thereof to the relevant Issuer, the Trustee and the other Paying Agents.

14. COPIES OF DOCUMENTS AVAILABLE FOR INSPECTION

Each Issuer shall supply, and the Paying Agents shall hold available for inspection at their specified offices during normal business hours, copies of all documents required to be so available by the Trust Deed and the Conditions of any Notes or the rules of any relevant Stock Exchange (or any other relevant authority).

15. COMMISSIONS AND EXPENSES

- (1) The relevant Issuer or, if applicable, the Guarantor, agrees to pay to the Agent such fees and commissions as the relevant Issuer, the Guarantor (if applicable) and the Agent shall separately agree in respect of the services of the Agent and the other Paying Agents hereunder together with any expenses (including legal, printing, postage, fax, cable and advertising expenses) incurred by the Agent and the other Paying Agents in connection with their said services. No Paying Agent shall be required to expend any money unless it is satisfied that it will receive reimbursement thereof in a reasonable time.
- (2) The Agent will make payment of the fees and commissions due hereunder to the other Paying Agents and will reimburse their expenses promptly after the receipt of the relevant moneys from the relevant Issuer or, if applicable, the Guarantor. Neither the relevant Issuer nor, if applicable, the Guarantor shall not be responsible for any such payment or reimbursement by the Agent to the other Paying Agents.

16. INDEMNITY

- (1) The relevant Issuer shall indemnify (and, if applicable, the Guarantor agrees so to indemnify) the Agent and each of the other Paying Agents against any losses, liabilities, costs, claims, actions, demands or expenses (together, "**Losses**") (including, but not limited to, all reasonable costs, legal fees, charges and expenses (together, "**Expenses**") paid or incurred in disputing or defending any Losses) which it may incur or which may be made against the Agent or any other Paying Agent as a result of or in connection with its appointment or the exercise of its powers and duties hereunder except for any Losses and Expenses resulting from its own wilful default, negligence or bad faith or that of its officers, directors or employees or the breach by it of the terms of this Agreement.
- (2) Each Paying Agent shall severally indemnify the relevant Issuer and, if applicable, the Guarantor against any Losses (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any Losses) which the relevant Issuer or, if applicable, the Guarantor may incur or which may be made against the relevant Issuer or, if applicable, the Guarantor as a result of the wilful default, negligence or bad faith of that Paying Agent or that of its officers or employees or any of them, or breach by it of the terms of this Agreement.
- (3) The provisions of this clause and clause 15 shall survive the resignation or removal of any of the Paying Agents or the termination or expiry of this Agreement.
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17. REPAYMENT BY THE AGENT

Upon the relevant Issuer or, if applicable, the Guarantor being discharged from its obligation to make payments in respect of any Notes pursuant to the relevant Conditions, and provided that there is no outstanding, *bona fide* and proper claim in respect of any such payments, the Agent shall forthwith on demand pay to the relevant Issuer or, if applicable, the Guarantor sums equivalent to any amounts paid to it by the relevant Issuer or, if applicable, the Guarantor for the purposes of such payments.

18. CONDITIONS OF APPOINTMENT

- (1) Each Paying Agent shall be entitled to deal with money paid to it by the relevant Issuer or, if applicable, the Guarantor for the purpose of this Agreement in the same manner as other money paid to a banker by its customers (and, for the avoidance of doubt, need not segregate sums held by it hereunder from other monies except as required by law) except:
 - (a) that it shall not exercise any right of set-off, lien or similar claim in respect thereof;
 - (b) as provided in sub-clause (2) below; and
 - (c) that it shall not be liable to account to the relevant Issuer or, if applicable, the Guarantor for any interest thereon.
 - (2) In acting hereunder and in connection with the Notes, the Agent and the other Paying Agents shall act solely as agents of the relevant Issuer and, if applicable, the Guarantor (or, in the circumstances described in clause 2(4) above, the Trustee) and will not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes, Receipts, Coupons or Talons.
 - (3) The Agent and the other Paying Agents hereby undertake to the relevant Issuer and, if applicable, the Guarantor and the Trustee to perform such obligations and duties, and shall be obliged to perform such duties and only such duties, as are herein, in the Conditions and in the Procedures Memorandum specifically set forth, and no implied duties or obligations shall be read into this Agreement, the Trust Deed or the Notes against the Agent and the other Paying Agents, other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent agent in comparable circumstances.
 - (4) The Agent may consult with legal and other professional advisers and shall be protected and shall incur no liability in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.
 - (5) Each of the Agent and the other Paying Agents shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the relevant Issuer or, if applicable, the Guarantor or any other Paying Agent or, for the purposes of clause 2(4), the Trustee or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the relevant Issuer or, if applicable, the Guarantor or any other Paying Agent or, for the purposes of clause 2(4), the Trustee.
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- (6) Any of the Agent and the other Paying Agents and their officers, directors and employees may become the owner of, or acquire any interest in, any Notes, Receipts, Coupons or Talons with the same rights that it or he would have if the Agent or the relevant other Paying Agent, as the case may be, concerned were not appointed hereunder, and may engage or be interested in any financial or other transaction with the relevant Issuer or, if applicable, the Guarantor and may act on, or as depository, trustee or agent for, any committee or body of holders of Notes or Coupons or in connection with any other obligations of the relevant Issuer or, if applicable, the Guarantor as freely as if the Agent or the relevant other Paying Agent, as the case may be, were not appointed hereunder.
- (7) Each of the Issuers shall provide the Agent with a certified copy of the list of persons authorised to execute documents and take action on its behalf in connection with this Agreement and shall notify the Agent immediately in writing if any of such persons ceases to be so authorised or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Agent that such person has been so authorised.
- (8) Except as ordered by a court of competent jurisdiction or as required by law and subject as provided in the next sentence, the relevant Issuer, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note, Receipt, Coupon or Talon as the absolute owner thereof (whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes and shall not be liable for so doing. For so long as any of the Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, each person (other than Clearstream, Luxembourg or Euroclear) who is for the time being shown in the records of Clearstream, Luxembourg or Euroclear as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and be treated by the relevant Issuer, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the relevant Issuer, the Trustee, the Agent and the other Paying Agents as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expressions "**Noteholder**", "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.
- (9) The Issuers shall forthwith give notice to the Agent of any change of the Trustee.
- (10) The amount of the Programme may be increased by the Issuers in accordance with the procedure set out in the Programme Agreement. Upon any such increase being effected, all references in this Agreement to the amount of the Programme shall be deemed to be references to such increased amount.

19. COMMUNICATION BETWEEN THE PARTIES

All communications relating to this Agreement between the relevant Issuer, the Guarantor (if applicable) the Trustee and any of the Paying Agents or between the Paying Agents themselves shall be made through the Agent.

20. CHANGES IN AGENT AND OTHER PAYING AGENTS

- (1) The Issuers agree that, for so long as any Note is outstanding, or until moneys for the payment of all amounts in respect of all outstanding Notes have been made available to the Agent and have been returned to the relevant Issuer or the Guarantor (if applicable) as provided herein:
 - (a) so long as any Notes are listed on any Stock Exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of such Stock Exchange or other relevant authority; and
 - (b) there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city approved by the Trustee in continental Europe; and
 - (c) there will at all times be an Agent; and
 - (d) if any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive is introduced, the relevant Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law.

In addition, the relevant Issuer shall appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency (as provided in sub-clause (5) below), when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and to the Noteholders in accordance with the Conditions.

- (2) The Agent may (subject as provided in sub-clause (4) below) at any time resign as Agent by giving at least 45 days' written notice to the Issuers and the Trustee of such intention on its part, specifying the date on which its desired resignation shall become effective.
 - (3) The Agent may (subject as provided in sub-clause (4) below) be removed at any time by the Issuers on at least 45 days' notice to the Agent and to the Trustee by the filing with it of an instrument in writing signed on behalf of the Issuers specifying such removal and the date when it shall become effective.
 - (4) Any resignation under sub-clauses (2) or (7) or removal under sub-clauses (3) or (5) shall only take effect upon the appointment by the Issuers as hereinafter provided, of a successor Agent or, as the case may be, successor Paying Agent approved by the Trustee and (other than in cases of insolvency of the Agent) on the expiry of the notice to be given under clause 22. The Issuers agree with the Agent and the Trustee that if, by the day falling ten days before the expiry of any notice under sub-clause (2) or (7), the Issuers have not appointed a successor Agent, or, as the case may be, successor Paying Agent, then the Agent shall be entitled, on behalf of the Issuers, to appoint as a successor Agent or, as the case may be, successor Paying Agent in its place a reputable financial institution of good standing which the Issuers and the Trustee shall approve (such approval not to be unreasonably withheld or delayed).
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- (5) In case at any time the Agent resigns, or is removed, or becomes incapable of acting or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or a substantial part of its property, or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or if any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, a successor Agent, which shall be a reputable financial institution of good standing approved by the Trustee, may be appointed by the Issuers by an instrument in writing filed with the successor Agent. Upon the appointment as aforesaid of a successor Agent and acceptance by the latter of such appointment and (other than in case of insolvency of the Agent when it shall be of immediate effect) upon expiry of the notice to be given under clause 22 the Agent so superseded shall cease to be the Agent hereunder.
- (6) Subject to sub-clause (1), the Issuers may, after prior consultation with the Agent and the Trustee, terminate the appointment of any of the other Paying Agents at any time and/or appoint one or more further or other Paying Agents by giving to the Agent and the Trustee and to the relevant further or other Paying Agent at least 45 days' notice in writing to that effect (other than in the case of insolvency of the other Paying Agent).
- (7) Subject to sub-clause (1), all or any of the Paying Agents may resign their respective appointments hereunder at any time by giving the Issuers, the Trustee and the Agent at least 45 days' written notice to that effect.
- (8) Upon its resignation or removal becoming effective, the Agent or the relevant Paying Agent:
- (a) shall forthwith transfer all moneys held by it hereunder and, if applicable, the records referred to in clauses 12(4) and 13(7) to the successor Agent hereunder;
 - (b) shall be entitled to the payment by the relevant Issuer or, if applicable, the Guarantor of its commissions, fees and expenses for the services theretofore rendered hereunder in accordance with the terms of clause 15; and
 - (c) shall continue to be entitled to the benefit of the indemnity provided for in clause 16(1).
- (9) Upon its appointment becoming effective, a successor Agent and any new Paying Agent shall, without further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor or, as the case may be, a Paying Agent with like effect as if originally named as Agent or (as the case may be) a Paying Agent hereunder.

21. MERGER AND CONSOLIDATION

Any corporation into which the Agent or any other Paying Agent may be merged or converted, or any corporation with which the Paying Agent or any of the other Paying Agents may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Agent or any of the other Paying Agents shall be a party, or any corporation to which the Agent or any of the other Paying Agents shall sell or otherwise

transfer all or substantially all the assets of the Agent or any other Paying Agent shall, on the date when such merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Agent or, as the case may be, other Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto, unless otherwise reasonably required by the Issuers, and after the said effective date all references in this Agreement to the Agent or, as the case may be, such other Paying Agent shall be deemed to be references to such corporation. Written notice of any such merger, conversion, consolidation or transfer shall forthwith be given to the Issuers and the Trustee by the relevant Agent or other Paying Agent.

22. NOTIFICATION OF CHANGES TO PAYING AGENTS

Following receipt of notice of resignation from the Agent or any other Paying Agent and forthwith upon appointing a successor Agent or, as the case may be, further or other Paying Agents or on giving notice to terminate the appointment of any Agent or, as the case may be, other Paying Agent, the Agent (on behalf of and at the expense of the Issuers) shall give or cause to be given not more than 45 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Conditions.

23. CHANGE OF SPECIFIED OFFICE

If the Agent or any other Paying Agent determines to change its specified office it shall (after having, in any such case other than a change of specified office within the same city, obtained the prior written approval of the Issuers and the Trustee thereto) give to the Issuers, the Trustee and (if applicable) the Agent written notice of such determination giving the address of the new specified office and stating the date on which such change is to take effect, which shall not be less than 45 days thereafter. The Agent (on behalf and at the expense of the Issuers) shall within 15 days of receipt of such notice (unless the appointment of the Agent or the other relevant Paying Agent, as the case may be, is to terminate pursuant to clause 20 on or prior to the date of such change) give or cause to be given not more than 45 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Conditions.

24. NOTICES

Any notice or communication given hereunder shall be sufficiently given or served:

- (a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at time of receipt; or
- (b) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgement of receipt is received (in the case of facsimile).

Where a communication is received after business hours it shall be deemed to be received and become effective on the next business day. Every communication shall be irrevocable save in respect of any manifest error therein.

25. TAXES AND STAMP DUTIES

The Issuers jointly and severally agree to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

26. AMENDMENTS

This Agreement may be amended in writing by agreement between the Issuers, the Trustee, the Agent and the other Paying Agents, but without the consent of any Noteholder, Receiptholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or in any manner which the parties may mutually deem necessary or desirable and which shall not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders. The Issuers, the Trustee and the Agent may also agree any modification pursuant to Condition 15.

27. DESCRIPTIVE HEADINGS

The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

28. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

29. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement is governed by, and shall be construed in accordance with, the laws of England.

30. COUNTERPARTS

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

SCHEDULE 1

FORM OF CALCULATION AGENCY AGREEMENT

Dated []

[REUTERS GROUP PLC/
REUTERS FINANCE PLC]

EURO MEDIUM TERM NOTE PROGRAMME

CALCULATION AGENCY AGREEMENT

ALLEN & OVERY
London

CALCULATION AGENCY AGREEMENT

in respect of a

EURO MEDIUM TERM NOTE PROGRAMME

THIS AGREEMENT is made on []

BETWEEN:

- (1) [REUTERS GROUP PLC, of 85 Fleet Street, London EC4P 4AJ] [REUTERS FINANCE PLC, of 85 Fleet Street, London EC4P 4AJ (the "**Issuer**")];
- (2) [REUTERS GROUP PLC, of 85 Fleet Street, London EC4P 4AJ (the "**Guarantor**"²);
- (3) [], of [], (the "**Calculation Agent**", which expression shall include its successor or successors for the time being as calculation agent hereunder); and
- (4) CITICORP TRUSTEE COMPANY LIMITED, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the "**Trustee**").

WHEREAS:

- (A) The Issuer [and the Guarantor]² [has/have]¹ entered into an Amended and Restated Programme Agreement with the Dealers named therein dated [SIGNING DATE], under which the Issuer may issue Euro Medium Term Notes ("**Notes**") with an aggregate nominal amount of up to £1,000,000,000 (or its equivalent in other currencies).
- (B) The Notes will be constituted by a trust deed dated 7th November 2003 (such Trust Deed as modified and/or supplemented and/or restated from time to time) between the Issuer, [the Guarantor,] the Trustee and others.

NOW IT IS HEREBY AGREED that:

1. APPOINTMENT OF THE CALCULATION AGENT

The Issuer hereby appoints [] as Calculation Agent in respect of each Series of Notes described in the Schedule hereto (the "**Relevant Notes**") for the purposes set out in clause 2 below, all upon the provisions hereinafter set out. The agreement of the parties hereto that this Agreement is to apply to each Series of Relevant Notes shall be evidenced by the manuscript annotation and signature in counterpart of the Schedule hereto.

2. DUTIES OF CALCULATION AGENT

The Calculation Agent shall in relation to each Series of Relevant Notes perform all the functions and duties imposed on the Calculation Agent by the terms and conditions of the Relevant Notes (the "**Conditions**") including endorsing the Schedule hereto appropriately in relation to each Series of Relevant Notes.

¹ Delete as appropriate
² Delete where the Issuer is Reuters Group PLC

3. EXPENSES

[To be agreed at the time of appointment.]

4. INDEMNITY

The Issuer shall indemnify [(and failing the Issuer so indemnifying, the Guarantor agrees so to indemnify)]² the Calculation Agent against any losses,

- (1) liabilities, costs, claims, actions, demands or expenses (together, "**Losses**") (including, but not limited to, all reasonable costs, legal fees, charges and expenses (together, "**Expenses**") paid or incurred in disputing or defending any Losses) which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except for any Losses and Expenses resulting from its own default, negligence or bad faith or that of its officers, directors or employees or the breach by it of the terms of this Agreement.
- (2) The Calculation Agent shall indemnify the Issuer [and the Guarantor]² against any losses, liabilities, costs, claims, actions or demands which the Issuer [or the Guarantor]² may incur or which may be made against the Issuer [or the Guarantor]² as a result of the default, negligence or bad faith of the Calculation Agent or that of its officers or employees or any of them, or breach by it of the terms of this Agreement.

5. CONDITIONS OF APPOINTMENT

In acting hereunder and in connection with the Relevant Notes the Calculation Agent shall not act as agent of the Issuer [and the Guarantor]² and shall not

- (1) thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Relevant Notes or the receipts or coupons (if any) appertaining thereto (the "**Receipts**" and the "**Coupons**", respectively).
 - (2) In relation to each issue of Relevant Notes, the Calculation Agent shall be obliged to perform such duties and only such duties as are herein and in the Conditions specifically set forth and no implied duties or obligations shall be read into this Agreement or the Conditions against the Calculation Agent, other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent expert in comparable circumstances.
 - (3) The Calculation Agent may consult with legal and other professional advisers and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.
 - (4) The Calculation Agent shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer [or the Guarantor]² or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the Issuer [or the Guarantor]².
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- (5) The Calculation Agent and any of its officers, directors and employees may become the owner of, or acquire any interest in, any Notes, Receipts or Coupons or Talons (if any) with the same rights that it or he would have if the Calculation Agent were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer [or the Guarantor]² and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons (if any) or in connection with any other obligations of the Issuer [or the Guarantor]² as freely as if the Calculation Agent were not appointed hereunder.

6. TERMINATION OF APPOINTMENT

- (1) The Issuer may, with the prior written approval of the Trustee, terminate the appointment of the Calculation Agent at any time by giving to the Calculation Agent at least 45 days' prior written notice to that effect, provided that, so long as any of the Relevant Notes is outstanding:
- (a) no such notice relating to the termination of appointment of the Calculation Agent shall take effect until a new Calculation Agent approved by the Trustee has been appointed on terms approved by the Trustee;
 - (b) such notice shall not expire less than 45 days before any date upon which any payment is due in respect of any Relevant Notes; and
 - (c) notice shall be given in accordance with the Conditions, to the holders of the Relevant Notes at least 30 days prior to any removal of the Calculation Agent.
- (2) Notwithstanding the provisions of sub-clause (1) above, if at any time:
- (a) the Calculation Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or it admits in writing its inability to pay or meet its debts as they may mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or if any officer takes charge or control of the Calculation Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or
 - (b) the Calculation Agent fails duly to perform any function or duty imposed upon it by the Conditions and this Agreement,
- the Issuer may forthwith without notice terminate the appointment of the Calculation Agent, in which event notice thereof shall be given to the holders of the Relevant Notes in accordance with the Conditions as soon as practicable thereafter.
- (3) The termination of the appointment pursuant to sub-clause (1) or (2) above of the Calculation Agent hereunder shall not entitle the Calculation Agent to any amount by way of compensation but shall be without prejudice to any amount then accrued due.
- (4) The Calculation Agent may resign its appointment hereunder at any time by giving to the Issuer and the Trustee at least 90 days' prior written notice to that effect. Following receipt of a notice of resignation from the Calculation Agent, the Issuer shall promptly give notice thereof to the holders of the Relevant Notes in accordance with the Conditions.
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- (5) Notwithstanding the provisions of sub-clauses (1), (2) and (4) above, so long as any of the Relevant Notes is outstanding, the termination of the appointment of the Calculation Agent (whether by the Issuer or by the resignation of the Calculation Agent) shall not be effective unless upon the expiry of the relevant notice a successor Calculation Agent has been appointed. The Issuer agrees with the Calculation Agent that if, by the day falling 10 days before the expiry of any notice under sub-clause 6(1) or 6(4), the Issuer has not appointed a replacement Calculation Agent, the Calculation Agent shall be entitled, on behalf of the Issuer, to appoint as a successor Calculation Agent in its place a reputable financial institution of good standing which the Issuer and the Trustee shall approve (such approval not to be unreasonably withheld or delayed).
- (6) Upon its resignation or removal becoming effective, the Calculation Agent:
- (a) shall be entitled to payment by the Issuer of its commissions, fees and expenses for the services theretofore rendered hereunder in accordance with the terms of clause 3; and
 - (b) shall continue to be entitled to the benefit of the indemnity provided for in clause 4(1).
- (7) Upon its appointment becoming effective, a successor Calculation Agent shall without further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as the Calculation Agent hereunder.
- (8) Any corporation into which the Calculation Agent may be merged or converted, or any corporation with which the Calculation Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Calculation Agent shall be a party, or any corporation to which the Calculation Agent shall sell or otherwise transfer all or substantially all of its assets shall, on the date when such merger, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Calculation Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, unless otherwise required by the Issuer and the Trustee, and after the said effective date all references in this Agreement to the Calculation Agent shall be deemed to be references to such corporation. Written notice of any such merger, conversion, consolidation or transfer shall forthwith be given to the Issuer, the Trustee and the Agent.

7. NOTICES

Any notice or communication given hereunder shall be sufficiently given or served:

- (a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at time of receipt; or
 - (b) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgement of receipt is received (in the case of facsimile).
-

Where a communication is received after business hours it shall be deemed to be received and become effective on the next business day. Every communication shall be irrevocable save in respect of any manifest error therein.

8. DESCRIPTIVE HEADINGS AND COUNTERPARTS

- (1) The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.
- (2) This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.

9. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement is governed by, and shall be construed in accordance with, the laws of England.

IN WITNESS WHEREOF this Agreement has been entered into the day and year first above written.

SCHEDULE TO THE CALCULATION AGENCY AGREEMENT

Series number	Issue Date	Maturity Date	Title and Nominal Amount	Annotation by Calculation Agent/Issuer
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[REUTERS GROUP PLC

85 Fleet Street
London
EC4P 4AJ

Telephone: 020 7543 2218
Telefax No: 020 7542 6868
Attention: General Counsel]

By:

[REUTERS FINANCE PLC

85 Fleet Street
London
EC4P 4AJ

Telephone: 020 7543 2218
Telefax No: 020 7542 6868
Attention: General Counsel]

By:

[Name of Calculation Agent]

[Address of Calculation Agent]

Telephone: []
Telefax No: []
Attention: []

By:

CITICORP TRUSTEE COMPANY LIMITED

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Telephone: 020 7500 5742
Telefax No: 020 7500 5248
Attention: Agency and Trust

By:

SCHEDULE 2

FORM OF PUT NOTICE

[REUTERS GROUP PLC/REUTERS FINANCE PLC]
[title of relevant Series of Notes]

By depositing this duly completed Notice with any Paying Agent for the above Series of Notes (the "**Notes**") the undersigned holder of such Notes surrendered with this Notice and referred to below irrevocably exercises its option to have such Notes redeemed in accordance with Condition 6(d) on [redemption date].

This Notice relates to Notes in the aggregate nominal amount of
bearing the following serial numbers:

.....
.....
.....

If the Notes referred to above are to be returned (1) to the undersigned under clause 10(4) of the Agency Agreement, if not tendered by or on behalf of Euroclear/Clearstream, Luxembourg/any other clearing system they should be returned by post to:

.....
.....
.....

Payment Instructions

Please make payment in respect of the above-mentioned Notes by [cheque posted to the above address/transfer to the following bank account/transfer to the following Clearing System account] (2):

Bank:
Branch Address:
Account Number:
Clearing system:
Signature of holder:

Duly authorised on behalf of []

[To be completed by recipient Paying Agent]

Details of missing unmatured Coupons(3)

Received by:

[Signature and stamp of Paying Agent]

At its office at:

On:

Notes

- (1) The Agency Agreement provides that Notes so returned will be sent by post, uninsured and at the risk of the Noteholder, unless the Noteholder otherwise requests and pays the costs of such insurance to the relevant Paying Agent at the time of depositing the Note referred to above.
- (2) Delete as applicable.
- (3) Only relevant for Fixed Rate Notes (which are not also Index Linked Redemption Amount Notes) in definitive form.

N.B. The Paying Agent with whom the above-mentioned Notes are deposited will not in any circumstances be liable to the depositing Noteholder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Notes or any of them unless such loss or damage was caused by the fraud or gross negligence of such Paying Agent or its directors, officers or employees.

This Put Notice is not valid unless all of the paragraphs requiring completion are duly completed and, if the Notes which are the subject of this Put Notice are represented by a Global Note, this Put Notice is accompanied by evidence from either Euroclear or Clearstream, Luxembourg of the holder's entitlement to the Notes and that the holder's account with Euroclear or Clearstream, Luxembourg in which such Notes are held has been blocked. Once validly given this Put Notice is irrevocable except in the circumstances set out in clause 10(4) of the Agency Agreement.

SIGNATORIES

The Issuers

REUTERS GROUP PLC
85 Fleet Street
London
EC4P 4AJ

Telephone: 020 7542 2218
Telefax No: 020 7542 6848
Attention: General Counsel

By: Sd. Tim Collier

REUTERS FINANCE PLC
85 Fleet Street
London
EC4P 4AJ

Telephone: 020 7542 2218
Telefax No: 020 7542 6848
Attention: General Counsel

By: Sd. Tim Collier

The Guarantor

REUTERS GROUP PLC
85 Fleet Street
London
EC4P 4AJ

Telephone: 020 7542 2218
Telefax No: 020 7542 6848
Attention: General Counsel

By: Sd. Tim Collier

The Agent

CITIBANK, N.A.
5 Carmelite Street
London
EC4Y 0PA

Telephone: 020 7508 3831
Telefax No: 020 7508 3875
Attention: Agency and Trust

By: Sd. David Mares

The other Paying Agents

CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG & CO. KGaA
Reuterweg 16
60323 Frankfurt am Main

Telephone: 00 49 69 1366 1256
Telefax No: 00 49 69 1366 1429
Attention: Global Transaction Services
Germany Agency and Trust Department

By: Sd. Volker Schweickert

BNP PARIBAS LUXEMBOURG
10A Boulevard Royal
L-2093 Luxembourg

Telephone: 00 352 4646 4213
Telefax No: 00 352 4646 4141
Attention: Coupon Paying Department

By: Sd. Oliver Nolin Sd. Sandrine Renauld

The Trustee

CITICORP TRUSTEE COMPANY LIMITED
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Telephone: 020 7500 5742
Telefax No: 020 7500 5248
Attention: Agency and Trust

By: Sd. David Mares

PRICING SUPPLEMENT

17 November 2003

REUTERS FINANCE PLC

Issue of €500,000,000 4.625 per cent. Guaranteed Notes due 19 November 2010
Guaranteed by Reuters Group PLC
under the £1,000,000,000
Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 7th November 2003. This Pricing Supplement must be read in conjunction with such Offering Circular.

1.	(i)	Issuer:	Reuters Finance PLC
	(ii)	Guarantor:	Reuters Group PLC
2.	(i)	Series Number:	01
	(ii)	Tranche Number:	01
3.		Specified Currency or Currencies:	Euro (€)
4.		Aggregate Nominal Amount:	
	–	Series:	€500,000,000
	–	Tranche:	€500,000,000
5.	(i)	Issue Price of Tranche:	99.531 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds:	€496,155,000
6.		Specified Denominations:	€1,000 €10,000 €100,000
7.	(i)	Issue Date:	19 November 2003
	(ii)	Interest Commencement Date (if different from the Issue Date):`	Not Applicable
8.		Maturity Date:	19 November 2010
9.		Interest Basis:	4.625 per cent. Fixed Rate (further particulars specified below)
10.		Redemption/Payment Basis:	Redemption at par

11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Listing:	London
14.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Applicable
(i)	Rate of Interest:	4.625 per cent. per annum payable annually in arrear
(ii)	Interest Payment Date(s):	19 November in each year commencing 19 November 2004
(iii)	Fixed Coupon Amount(s):	€46.25 per €1,000 in nominal amount €462.50 per €10,000 in nominal amount €4,625.00 per €100,000 in nominal amount
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ISMA)
(vi)	Determination Date(s):	19 November in each year
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index Linked Note Provisions	Not Applicable
19.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option:	Not Applicable
21.	Put Option:	Not Applicable
22.	Final Redemption Amount:	Par

23. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):
- The Conditions shall apply

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
25. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
29. Redenomination, renominatisation and reconventioning provisions: Not Applicable
30. Consolidation provisions: Not Applicable
31. Other terms or special conditions: Not Applicable

DISTRIBUTION

32. (i) If syndicated, names of Managers: ABN AMRO Bank N.V.
Credit Suisse First Boston (Europe) Limited
UBS Limited
Commerzbank Aktiengesellschaft
Crédit Agricole Indosuez
Société Générale
The Royal Bank of Scotland plc
- (ii) Stabilising Manager (if any): UBS Limited
33. If non-syndicated, name of Dealer: Not Applicable
34. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

- 35. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- 36. Delivery: Delivery against payment
- 37. Additional Paying Agent(s) (if any): Not Applicable

ISIN: XS0180277393
Common Code: 018027739

LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the £1,000,000,000 Euro Medium Term Note Programme of Reuters Finance PLC and Reuters Group PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: Sd. Tim Collier

Duly authorised

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

REUTERS FINANCE PLC

*(Incorporated with limited liability in England and Wales
with registered number 4941058)
(the "Issuer")*

unconditionally and irrevocably guaranteed by

REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the "Guarantor")*

PERMANENT GLOBAL NOTE

This Note is a Permanent Global Note in respect of a duly authorised issue of Notes of the Issuer (the "**Notes**") of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Pricing Supplement applicable to the Notes (the "**Pricing Supplement**"), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, the Pricing Supplement will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 7th November, 2003 and made between the Issuer, the Guarantor and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Agent at 5 Carmelite Street, London EC4Y 0PA or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer and the Guarantor in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the

amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

[On any exchange of the Temporary Global Note issued in respect of the Notes for this Global Note or any part hereof, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.]²

[Upon any further Tranche of Notes of this Series being issued, details of such increase in the size of the Series shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such increase shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of such further Tranche.]²

This Global Note may be exchanged (free of charge), in whole but not in part, for Definitive Notes and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Parts III, IV, V and VI of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Pricing Supplement has been endorsed on or attached to such Definitive Notes), unless otherwise specified in the applicable Pricing Supplement:

- (i) upon not less than 60 days' written notice from Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") (acting on the instructions of any holder of an interest in this Global Note); or
- (ii) only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system approved by the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by the Permanent Global Note in definitive form.

If the Global Note is exchangeable following the occurrence of such Exchange Event:

1 Delete where the issue is made in accordance with TEFRA C.

2 Delete where the issue is made in accordance with TEFRA D.

- (i) the Issuer will promptly give notice to Noteholders in accordance with Condition 14; and
- (ii) Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in this Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur on the date specified in the notice requesting exchange.

Any such exchange as aforesaid will be made upon presentation of this Global Note by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above.

The aggregate nominal amount of Definitive Notes issued upon an exchange of this Global Note will be equal to the aggregate nominal amount of this Global Note.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts III, IV, V and VI (as applicable) of Schedule 2 to the Trust Deed.

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 nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, and the Guarantor, solely in the bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

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

This Global Note is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

IN WITNESS whereof the Issuer has caused this Global Note to be signed on its behalf.

Issued as of the Issue Date.

REUTERS FINANCE PLC

By: _____

Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank, N.A., London office, as Agent.

By: _____

authorised signatory

Guarantee and Indemnity of Reuters Group PLC

- (A) **Guarantee:** Reuters Group PLC (the “**Guarantor**”) unconditionally and irrevocably guarantees to Citicorp Trustee Company Limited (the “**Trustee**”) (i) the due and punctual payment by Reuters Finance PLC (the “**Issuer**”) of any sum payable by it under the trust deed dated 7th November 2003 (the “**Trust Deed**”) made between the Issuer, the Guarantor and the Trustee, this Note, any Receipts or Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by the Issuer of each of the other provisions of the Trust Deed, this Note, any Receipts and Coupons on the Issuer’s part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clause 2(B) and (D) of the Trust Deed (or if in respect of sums due under Clause 15 of the Trust Deed, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), (ii) and (iii) of the Trust Deed shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15 of the Trust Deed. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 of the Notes and sub-Clause 14(xiv) of the Trust Deed.
- (B) **Guarantor as Principal Debtor:** As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting the Issuer’s obligations) to the intent that the holder of this Note or the holder of any Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, [premium,] interest or such other amount as would have been receivable had such payments been made by the Issuer. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Trust Deed or to the Conditions of this Note or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) any enforcement or absence of enforcement of the Trust Deed, this Note, any Receipts or Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, or any defect in any provision of, the Trust Deed, this Note, any Receipts or Coupons or any of the Issuer’s obligations under any of them, (8) any circumstances which have resulted in the Issuer being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).
- (C) **Guarantor’s Obligations Continuing:** The Guarantor’s obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Trust Deed, this Note, any Receipts or Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any

other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.

- (D) **Exercise of Guarantor's Rights:** So long as any sum remains payable under the Trust Deed, this Note, any Receipts or Coupons:
- (i) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
 - (ii) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10 of the Trust Deed.
- (E) **Enforcement by the Trustee:** Without prejudice to the provisions of Clause 8 of the Trust Deed the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.
- (F) **Avoidance of Payments:** The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons relating to this Note and shall in any event pay to it on demand the amount as refunded by it.
- (G) **Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Trust Deed or any payment obligation of the Issuer under the Trust Deed, this Note, any Receipts or Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or

becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

- (H) **Guarantor's Obligations:** The obligations of the Guarantor under this Note, the Trust Deed, any Receipts and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.
- (I) **Authorisations:** The Guarantor hereby represents and warrants that all corporate approvals and authorisations required by it in connection with the giving of the Guarantee and Indemnity embodied herein have been obtained and are in full force and effect and upon the execution hereof the same shall constitute the legal, valid, binding and enforceable obligations of the Guarantor.
- (J) **Governing Law:** This Guarantee and Indemnity is governed by, and shall be construed in accordance with, English law.

Capitalised terms not defined above have the same meaning as in the Notes.

Dated as of the Issue Date

Reuters Group PLC

By:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

PRICING SUPPLEMENT

24th March, 1999

REUTERS GROUP PLC

**Issue of £200,000,000 5.375 per cent. Notes due 2004
under the £1,000,000,000
Euro Medium Term Note Programme**

The Notes constitute longer term debt securities issued in accordance with regulations made under section 4 of the Banking Act 1987. The Issuer of the Notes is not an authorised institution or a European authorised institution (as such terms are defined in the Banking Act 1987 (Exempt Transactions) Regulations 1997). Repayment of the principal and payment of any interest or premium in connection with the Notes has not been guaranteed.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 16th December, 1998. This Pricing Supplement must be read in conjunction with such Offering Circular.

- | | |
|--------------------------------------|---|
| 1. (i) Series Number: | 01 |
| (ii) Tranche Number: | 01 |
| 2. Specified Currency or Currencies: | Pounds sterling (£) |
| 3. Aggregate Nominal Amount: | |
| Series: | £200,000,000 |
| Tranche: | £200,000,000 |
| 4. (i) Issue Price of Tranche: | 99.88 per cent. of the Aggregate Nominal Amount |
| (ii) Net Proceeds: | £199,210,000.00 |
| 5. Specified Denominations: | £1,000, £10,000, and £100,000 |
| 6. (i) Issue Date: | 24th March, 1999 |
| (ii) Interest Commencement Date | Issue Date |
| 7. Maturity Date: | 26th November, 2004 |
| 8. Interest Basis: | 5.375 per cent. Fixed Rate |
| 9. Redemption/Payment Basis: | Redemption at par |
-

10. Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
11. Put/Call Options:	Not Applicable
12. Listing:	London
13. Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions	Applicable
(i) Rate of Interest:	5.375 per cent. per annum payable annually in arrear
(ii) Interest Payment Date(s):	26th November in each year
(iii) Fixed Coupon Amount(s):	Save for the first interest period from and including the Issue Date to but excluding 26th November, 1999, £53.75 per £1,000 in nominal amount; £537.50 per £10,000 in nominal amount; and £5,375 per £100,000 in nominal amount
(iv) Broken Amount(s):	Initial Broken Amounts in respect of the first interest period from and including 24th March, 1999 to but excluding 26th November, 1999 are £36.13 per £1,000 in nominal amount, £361.32 per £10,000 in nominal amount and £3,613.19 per £100,000 in nominal amount
(v) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
15. Floating Rate Note Provisions	Not Applicable
16. Zero Coupon Note Provisions	Not Applicable
17. Index Linked Interest Note Provisions	Not Applicable
18. Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. Call Option	Not Applicable
20. Put Option	Not Applicable
21. Final Redemption Amount:	Par

-
22. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

Par

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
24. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
26. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
27. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
28. Redenomination, renominatisation and reconventioning provisions: Not Applicable
29. Consolidation provisions: Not Applicable
30. Other terms or special conditions: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names of Managers: J.P. Morgan Securities Ltd.
UBS AG, acting through its division Warburg Dillon Read
Barclays Bank PLC
Deutsche Bank AG London
Midland Bank plc
Morgan Stanley & Co. International Limited
Salomon Brothers International Limited
- (ii) Stabilising Manager (if any): J.P. Morgan Securities Ltd.
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32. If non-syndicated, name of Dealer: Not Applicable
33. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

34. ISIN Code: XS0095787148
35. Common Code: 9578714
36. Any clearing system(s) other than Euroclear and Cedelbank and the relevant identification number(s): Not Applicable
37. Delivery: Delivery against payment
38. Additional Paying Agent(s) (if any): None

The Issuer confirms that it:

- (a) has complied with its obligations under the relevant rules (as defined in the Banking Act 1987 (Exempt Transactions) Regulations 1997) in relation to the admission to and continuing listing of the Programme and of any previous issues made under it and listed on the same exchange as the Programme;
- (b) will have complied with its obligations under the relevant rules in relation to the admission to listing of such Notes by the time when such Notes are so admitted; and
- (c) has not, since the last publication, if any, in compliance with the relevant rules of information about the Programme, any previous issues made under it and listed on the same exchange as the Programme, or the Notes, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as Issuer in respect of the Notes as they fall due.

ISIN:	XS0095787148
Common Code:	9578714

LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the £1,000,000,000 Euro Medium Term Note Programme of Reuters Group PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: **P. WOOD**

Duly authorised

ICM:312526.1

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

THIS NOTE CONSTITUTES [LONGER TERM DEBT SECURITY]¹ ISSUED IN ACCORDANCE WITH REGULATIONS MADE UNDER SECTION 4 OF THE BANKING ACT 1987. THE ISSUER OF THIS NOTE IS REUTERS GROUP PLC, WHICH IS NOT AN AUTHORISED INSTITUTION OR A EUROPEAN AUTHORISED INSTITUTION (AS SUCH TERMS ARE DEFINED IN THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997). REPAYMENT OF THE PRINCIPAL AND PAYMENT OF ANY INTEREST OR PREMIUM IN CONNECTION WITH THIS NOTE HAVE NOT BEEN GUARANTEED.

REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the “Issuer”)*

PERMANENT GLOBAL NOTE

This Note is a Permanent Global Note in respect of a duly authorised issue of Notes of the Issuer (the “Notes”) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Pricing Supplement applicable to the Notes (the “Pricing Supplement”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Pricing Supplement but, in the event of any conflict between the provisions of the said Conditions and the information in the Pricing Supplement, the Pricing Supplement will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 16th December, 1998 and made between the Issuer and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Agent at 5 Carmelite Street, London EC4Y 0PA or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as

¹ Include “commercial paper” if Notes must be redeemed before their first anniversary. Include “shorter” if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include “longer” if Notes may not be redeemed before their third anniversary.

provided in the Conditions) from time to time appointed by the Issuer in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

[On any exchange of the Temporary Global Note issued in respect of the Notes for this Global Note or any part hereof, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.]¹

[Upon any further Tranche of Notes of this Series being issued, details of such increase in the size of the Series shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such increase shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of such further Tranche.]²

This Global Note may be exchanged (free of charge), in whole but not in part, for Definitive Notes and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Parts III, IV, V and VI of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Pricing Supplement has been endorsed on or attached to such Definitive Notes), unless otherwise specified in the applicable Pricing Supplement:

- (i) upon not less than 60 days' written notice from Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("**Euroclear**") and/or Cedelbank ("**Cedelbank**") (acting on the instructions of any holder of an interest in the Global Note); or
- (ii) only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Cedelbank have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system approved by the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by the Permanent Global Note in definitive form.

¹ Delete where the issue is made in accordance with TEFRA C.

² Delete where the issue is made in accordance with TEFRA D.

If the Global Note is exchangeable following the occurrence of such Exchange Event:

- (i) the Issuer will promptly give notice to Noteholders in accordance with Condition 14; and
- (ii) Euroclear and/or Cedelbank (acting on the instructions of any holder of an interest in this Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur on the date specified in the notice requesting exchange.

Any such exchange as aforesaid will be made upon presentation of this Global Note by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above.

The aggregate nominal amount of Definitive Notes issued upon an exchange of this Global Note will be equal to the aggregate nominal amount of this Global Note.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts III, IV, V and VI (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Cedelbank) who is for the time being shown in the records of Euroclear or Cedelbank as the holder of a particular nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Cedelbank as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Agent and any, other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

This Global Note is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

IN WITNESS whereof the Issuer has caused this Global Note to be signed on its behalf.

Issued as of Issue Date.

REUTERS GROUP PLC

By: 
Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank, N.A., London office, as Agent.

Date: 24th March, 1999.



By:

authorised signatory



* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

-
- 1 Delete where the issue is made in accordance with TEFRA C.
 - 2 Delete where the issue is made in accordance with TEFRA D.
-

AGREEMENT

Dated 25th April, 2003

£1,000,000,000

SYNDICATED CREDIT FACILITY

FOR

REUTERS GROUP PLC

ARRANGED BY

HSBC BANK plc

and

J.P. MORGAN plc

ALLEN & OVERY

London

INDEX

Clause	Page
1. Interpretation	1
2. The Facility	14
3. Purpose	15
4. Conditions Precedent	16
5. Advances	16
6. Repayment	18
7. Prepayment and Cancellation	19
8. Interest	22
9. Payments	26
10. Taxes	28
11. Market Disruption	30
12. Increased Costs	32
13. Illegality and Mitigation	33
14. Guarantee	34
15. Representations and Warranties	36
16. Undertakings	39
17. Financial Covenants	40
18. Default	43
19. The Agent and the Mandated Lead Arrangers	46
20. Fees	50
21. Expenses	52
22. Stamp Duties	52
23. Indemnities	52
24. Evidence and Calculations	53
25. Amendments and Waivers	54
26. Changes to the Parties	55
27. Disclosure of Information	58
28. Set-Off	58
29. Pro Rata Sharing	58
30. Severability	59
31. Counterparts	60
32. Notices	60
33. Language	61
34. Jurisdiction	61
35. Governing Law	62

Schedule	Page
1. Banks and Commitments	63
2. Conditions Precedent Documents	64
Part I – To be delivered before the First Advance	64
Part II – To be delivered by an Additional Borrower	65
Part III – To be delivered by an Additional Guarantor	66
3. Calculation of the Mandatory Cost	68
4. Form of Request	70
5. Forms of Accession Documents	71
Part I – Novation Certificate	71
Part II – Borrower Accession Agreement	73
Part III – Guarantor Accession Agreement	74
Part IV – Form of Borrower Novation Agreement	75
6. Form of Compliance Certificate	77
7. Form of Confidentiality Undertaking	78
Signatories	79

THIS AGREEMENT is dated 25th April, 2003 BETWEEN:

- (1) REUTERS GROUP PLC (Company No. 3296375) (the "**Parent**");
- (2) HSBC BANK plc and J.P. MORGAN plc as mandated lead arrangers (the "**Mandated Lead Arrangers**");
- (3) THE FINANCIAL INSTITUTIONS listed in Schedule 1 as lenders; and
- (4) HSBC BANK plc as agent (the "**Agent**").

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

"Additional Borrower"

means a wholly owned Subsidiary of the Parent which becomes a Borrower in accordance with Clause 26.4 (Additional Borrowers).

"Additional Guarantor"

means an Affiliate of the Parent which becomes a Guarantor in accordance with Clause 26.5 (Additional Guarantors).

"Advance"

means a Tranche A Advance or a Tranche B Advance.

"Affiliate"

for the purposes of this Agreement means a Subsidiary or a holding company (as defined in Section 736 of the Companies Act 1985) of a person and any other Subsidiary of that holding company.

"Agent's Spot Rate of Exchange"

means the spot rate of exchange as determined by the Agent for the purchase of the relevant Optional Currency in the London foreign exchange market with Sterling at the relevant time on a particular day.

"Anniversary"

means an anniversary of the Signing Date.

"Availability Period"

means the Tranche A Availability Period or the Tranche B Availability Period.

"Back to Back Loan"

means any Indebtedness made available to a member of the Restricted Group ("**Back to Back Loan Principal**") to the extent that the creditor has recourse directly or indirectly to a deposit of cash or cash equivalent investments beneficially owned by any member of the Restricted Group ("**Back to Back Loan Deposit**") placed, as part of a related transaction, with that creditor (or an affiliate of that creditor) or a financial institution approved by that creditor on the basis that the deposit be available, directly or indirectly, so as to reduce the economic exposure of the creditor to the Restricted Group, when looking at the related transactions together, to a net amount.

"Borrower"

means the Parent or an Additional Borrower.

"Borrower Accession Agreement"

means a letter substantially in the form of Part II of Schedule 5 with such amendments as the Agent may approve or reasonably require.

"Borrowings"

means any Indebtedness in respect of the following:

- (a) money borrowed or raised and debit balances at banks;
- (b) any bond, note, loan stock, debenture or similar debt instrument;
- (c) acceptance credit facilities and documentary credit facilities;
- (d) receivables sold or discounted (otherwise than on a non-recourse basis);
- (e) finance leases and hire purchase contracts which are required to be capitalised under generally accepted accounting principles in the UK in force as at the Signing Date;
- (f) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or raising of money or of any of paragraphs (b) to (e) (both inclusive) above;
- (g) for the purposes of Clause 18.8 (Cross Default) only, the net amount of any liability under any swap, hedging or similar treasury instrument; and
- (h) guarantees in respect of Indebtedness of any person falling within any of paragraphs (a) to (g) (both inclusive) above,

provided that:

- (i) Indebtedness owing by one member of the Restricted Group to another member of the Restricted Group shall not be taken into account as Borrowings; and
-

(ii) a letter of credit or other indemnity given by a member of the Restricted Group shall only constitute a Borrowing if the underlying obligation itself falls within any of paragraphs (a) to (g) (both inclusive) above.

"Business Day"

means a day (other than a Saturday or Sunday) on which banks and the interbank and foreign exchange markets are open for business in London and:

- (a) (in respect of a day on which a payment in, or purchase of, an Optional Currency (other than euro) is required hereunder) the principal financial centre of the country of such Optional Currency; or
- (b) (in respect of a day on which a payment in or purchase of euro is required hereunder) which is also a TARGET Day.

"Commitments"

means, in respect of a Lender, the aggregate of its Tranche A Commitment and its Tranche B Commitment.

"Default"

means an Event of Default or an event which, with the giving of notice, determination of materiality or expiry of any grace period, each as referred to in Clause 18 (Default), (or any combination of the foregoing), would constitute an Event of Default.

"Encumbrance"

means a mortgage, charge, pledge, lien or other security interest.

"euro"

means the single currency of the Participating Member States.

"EURIBOR"

means in relation to any Advance or unpaid sum denominated in euros:

- (a) the applicable Screen Rate; or
- (b) if no Screen Rate is available for that Term of that Advance or unpaid sum, the arithmetic mean (rounded upwards, if necessary, to the nearest four decimal places) of the respective rates, as supplied to the Agent at its request, quoted by the Reference Banks to leading banks in the European interbank market,

as of 11.00 a.m. (Brussels time) on the Rate Fixing Day for the offering of deposits in euro for a period comparable to that Term.

"Event of Default"

means an event specified as such in Clause 18 (Default).

"Facility"

means the facility to draw Tranche A Advances or the facility to draw Tranche B Advances referred to in Clauses 2.1(a) and (b) (Facilities) respectively.

"Facility Office"

means the office(s) notified by a Lender to the Agent:

- (a) on or before the date it becomes a Lender; or
- (b) by not less than five Business Days' notice,

as the office(s) through which it will perform all or any of its obligations under this Agreement.

"Fee Letters"

means:

- (a) the letter between the Agent and the Parent dated 25th April, 2003; and
- (b) the letter between, *inter alia*, the Mandated Lead Arrangers and the Parent dated 25th April, 2003,

in each case setting out the amount of various fees referred to in Clause 20 (Fees).

"Final Maturity Date"

means the fifth Anniversary.

"Finance Document"

means this Agreement, each Fee Letter, a Novation Certificate, a Borrower Accession Agreement, each Novation Agreement entered into as contemplated by Clause 7.6(b)(iii) (Changes to Borrowers), a Guarantor Accession Agreement or any other document designated in writing as such by the Agent and the Parent.

"Finance Party"

means a Mandated Lead Arranger, a Lender or the Agent.

"Group"

means the Parent and its Subsidiaries.

"Guarantor"

means each of:

- (a) the Parent; and
 - (b) each Additional Guarantor.
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"Guarantor Accession Agreement"

means a deed substantially in the form of Part III of Schedule 5 with such amendments as the Agent may approve or reasonably require.

"Indebtedness"

means any obligation (whether incurred as principal or as surety) for the payment or repayment of moneys, whether present or future, actual or contingent.

"Information Memorandum"

means the Information Memorandum dated February, 2003 prepared in connection with this Agreement and approved by the Parent.

"Instinet Group"

means Instinet Group Inc. and its Subsidiaries.

"Interest Date"

means the last day of an Interest Period.

"Interest Period"

in respect of a Term-out Advance has the meaning given to it in Clause 8.1 (Selection of Interest Period for Term-out Advance).

"Lenders"

means those financial institutions listed in Schedule 1 and their respective successors and assigns which are for the time being participating in a Facility.

"LIBOR"

means in relation to any Advance or unpaid sum in Sterling or in an Optional Currency (other than euro):

- (a) the applicable Screen Rate; or
- (b) if no Screen Rate is available for the relevant currency or Term or, in the case of a Term-out Advance, Interest Period of that Advance or unpaid sum, the arithmetic mean (rounded upwards, if necessary, to the nearest four decimal places) of the respective rates, as supplied to the Agent at its request, quoted by the Reference Banks to leading banks in the London interbank market,

as of 11.00 a.m. on the Rate Fixing Day for the offering of deposits in the currency of that Advance or unpaid sum for a period comparable to that Term or Interest Period.

"Majority Lenders"

means, at any time Lenders whose Commitments then aggregate more than $66\frac{2}{3}$ per cent. of the Total Commitments (or if the Total Commitments have been reduced to zero, aggregated more than $66\frac{2}{3}$ per cent. of the Total Commitments immediately before the reduction).

"Mandatory Cost"

means the cost of complying with certain regulatory requirements expressed as a percentage rate per annum and calculated by the Agent under Schedule 3.

"Mandatory Prepayment Event"

means an event specified in paragraph (a) of Clause 7.4 (Mandatory Prepayment Events).

"Margin"

means at any time the percentage rate per annum determined at such time to be the Margin in accordance with Clause 8.7 (Margin and commitment fee).

"Material Adverse Effect"

means a material adverse effect on the Group taken as a whole which would affect the ability of any Obligor to perform or observe any of its obligations under any of the Finance Documents.

"Material Subsidiary"

means at any particular time, a member of the Restricted Group (other than an Obligor) whose gross assets or pre-taxation profits, as at the end of or (as the case may be) of the latest financial year of the Group and as taken into account for the purpose of the audited consolidated financial statements of the Group for such financial year, represent at least ten per cent. of the consolidated gross assets or pre-taxation profits of the Group as determined from those audited consolidated financial statements of the Group. For this purpose:

- (a) in the case of a member of the Group which itself has Subsidiaries, the calculation shall be made by comparing the consolidated gross assets or pre-taxation profits of it and its Subsidiaries to those of the Group;
 - (b) assets which arise from transactions between members of the Group and which would be eliminated in the consolidated financial statements of the Group shall be excluded; and
 - (c) if a Subsidiary which is not a Material Subsidiary on the basis of the most recent such accounts receives a transfer of assets or the right to receive any trading profits which taken together with the existing assets or trading profits of that Subsidiary, as the case may be, would satisfy any of the tests above, then that Subsidiary shall also be a Material Subsidiary on and from the date it receives such transfer. If a Material Subsidiary disposes of any assets or the right to receive any trading profits such that it would on the basis of the most recent such accounts cease to be a Material Subsidiary, then it shall be excluded as a Material Subsidiary on and from the date the Parent next notifies the Agent of the identity of the Material Subsidiaries under Clause 16.2(f) (Financial Information).
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"Maturity Date"

means:

- (a) in relation to an Advance (other than a Term-out Advance), the last day of the Term of that Advance; and
- (b) in relation to a Term-out Advance, the date selected in the Request for that Term-out Advance, being not later than the third Anniversary.

"Moody's"

means Moody's Investors' Services, Inc..

"Novation Certificate"

has the meaning given to it in Clause 26.3(a)(i) (Procedure for novations).

"Obligor"

means the Parent, each Borrower and each Guarantor.

"Optional Currency"

means, in relation to any Advance or proposed Advance, U.S. Dollars, euro or any other currency other than Sterling which all the Lenders have confirmed in relation to the proposed Advance is readily available and freely transferable in the London foreign exchange market in sufficient amounts to fund that Advance.

"Original Group Accounts"

means the audited consolidated financial statements of the Parent and its Subsidiaries for the year ended 31st December, 2002.

"Original Sterling Amount"

means:

- (a) the principal amount of an Advance denominated in Sterling; or
- (b) the principal amount of an Advance denominated in any other currency, translated into Sterling on the basis of the Agent's Spot Rate of Exchange at or about 11.00 a.m. on the date of receipt by the Agent of the Request for that Advance.

"Participating Member State"

means a member state of the European Communities that adopts or has adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union.

"Party"

means a party to this Agreement.

"Permitted Encumbrance"

means:

- (a) a lien or right of set-off arising solely by operation of law or by agreement and in the ordinary course of business;
 - (b) an Encumbrance in existence as at the Signing Date and disclosed in writing prior to the Signing Date to the Agent;
 - (c) an Encumbrance granted over any real property of a member of the Restricted Group at the time of purchase thereof for any loan or other obligation raised or undertaken for the sole purpose of financing the purchase of that real property;
 - (d) any Encumbrance securing any Indebtedness of any company which becomes a member of the Restricted Group after the date hereof and which was in existence when such company became a member of the Restricted Group provided that each such Encumbrance is discharged in full within 180 days after such company becomes a member of the Restricted Group;
 - (e) an Encumbrance over an asset purchased by a member of the Restricted Group (otherwise than from another member of the Restricted Group) after the date hereof and to which such asset was subject at the time of such purchase provided that such Encumbrance is discharged in full within 180 days after the date of purchase of such asset by such member of the Restricted Group;
 - (f) any retention of title reserved by any seller of goods in the normal course of business, or any Encumbrance imposed, reserved or granted over goods supplied by such seller in respect of the unpaid price of goods supplied in the ordinary course of business;
 - (g) an Encumbrance granted by any member of the Restricted Group which carries on a broking or similar business, in each case in the ordinary course of that broking or similar business over any asset deposited with either a bank in connection with the clearance of traded securities, securities exchange or clearing system as security for the relevant company's obligations to such bank, landlord, securities exchange or clearing system (including for the avoidance of doubt, any repo or similar sale and purchase arrangements entered into by any member of the Restricted Group);
 - (h) an Encumbrance which the Majority Lenders have at any time agreed in writing shall be a Permitted Encumbrance;
 - (i) an Encumbrance granted in respect of a Back to Back Loan over the cash or cash equivalent deposits concerned;
 - (j) any Encumbrance granted by any member of the Restricted Group in the ordinary course of business in respect of any assets deposited with a central bank or other regulatory body in compliance with the requirements of that central bank or regulatory body; and
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- (k) Encumbrances (other than Encumbrances permitted by paragraphs (a) to (j) above) which secure, in aggregate, Indebtedness in an amount not exceeding £100,000,000 or its equivalent in other currencies.

"Qualifying Lender"

means:

- (a) a bank as defined in Section 840A of the Income and Corporation Taxes Act 1988 at the time any Advance is or was made under this Agreement which is within the charge to corporation tax as regards any interest received by it under this Agreement; or
- (b) a UK Non-Bank Lender; or
- (c) a person which is resident (as such term is defined in the appropriate double taxation treaty) in a country with which the United Kingdom has an appropriate double taxation treaty under which that person is entitled, having regard to its own circumstances but not to the circumstances of any Obligor, to exemption from United Kingdom tax on interest and is entitled to apply under the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 to have interest paid to its Facility Office without withholding or deduction for or on account of United Kingdom tax (and does not carry on business in the United Kingdom through a permanent establishment with which the investments under this Agreement in respect of which the interest is paid is effectively connected) and for this purpose "double taxation treaty" means any convention or agreement between the government of the United Kingdom and any other government for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains.

"Rate Fixing Day"

means:

- (a) the Utilisation Date for an Advance denominated in Sterling (or, in the case of a Term-out Advance denominated in Sterling, the first day of each applicable Interest Period); or
- (b) the second Business Day before the Utilisation Date for an Advance denominated in any Optional Currency other than euro (or, in the case of a Term-out Advance denominated in any Optional Currency other than euro, the second Business Day before the first day of each applicable Interest Period); or
- (c) the second TARGET Day before the Utilisation Date for an Advance denominated in euro (or, in the case of a Term-out Advance denominated in euro, the second TARGET Day before the first day of each applicable Interest Period),

or such other day as the Agent determines is generally treated as the rate fixing day by market practice in the relevant interbank market.

"Reference Banks"

means, subject to Clause 26.6 (Reference Banks), HSBC Bank plc, JPMorgan Chase Bank and The Royal Bank of Scotland plc.

"Request"

means a request made by a Borrower to utilise a Facility, substantially in the form of Schedule 4.

"Requested Amount"

means the amount requested in a Request.

"Restricted Group"

means the Group excluding:

- (a) each member of the Instinet Group; and
- (b) each member of the Group that:
 - (i) is not fully consolidated for the purposes of the consolidated financial statements of the Parent and its Subsidiaries from time to time; and
 - (ii) is not controlled by the Parent (for this purpose "controlled" means the power to direct the management and the policies, whether through the ownership of voting share capital by contract or otherwise).

"Rollover"

means, in relation to a particular date, one or more Advances (other than a Term-out Advance):

- (a) whose proposed Utilisation Date is the same as the Maturity Date of one or more existing Advances;
- (b) whose aggregate principal amount is the same as or less than the aggregate outstanding principal amount of all existing Advances whose Maturity Date is the same as that Utilisation Date; and
- (c) which are to be denominated in the same currency as the existing Advance(s) whose Maturity Date is the same as that Utilisation Date (or, if there is more than one such existing Advance and such Advances are denominated in different currencies, in the same or lesser respective amounts of the same currencies as for such existing Advances).

"S&P"

means Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies.

"Screen Rate"

means:

- (a) for LIBOR, the British Bankers Association Interest Settlement Rate (if any); and
- (b) for EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union,

for the relevant currency and Term displayed on the appropriate page of the Reuters screen selected by the Agent. If the relevant page is replaced or the service ceases to be available, the Agent (after consultation with the Parent and the Lenders) may specify another page or service displaying the appropriate rate.

"Signing Date"

means the date of this Agreement.

"Subsidiary"

means:

- (a) a subsidiary within the meaning of Section 736 of the Companies Act 1985, as amended by Section 144 of the Companies Act 1989; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 258 of the Companies Act 1985 (as inserted by Section 21 of the Companies Act 1989).

"TARGET Day"

means a day on which the Trans European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

"Term"

means the period selected by a Borrower in a Request for which the relevant Advance (except a Term-out Advance) is to be outstanding.

"Term-out Advance"

means the Term-out Advance to the extent drawn under Clause 6.1 (Repayment of Tranche A Advances).

"Total Commitments"

means the aggregate for the time being of the Tranche A Total Commitments and the Tranche B Total Commitments, being £1,000,000,000 at the Signing Date.

"Tranche A Advance"

means an advance made to a Borrower under Tranche A.

"Tranche A Availability Period"

means the period from and including the Signing Date up to and including the then latest Tranche A Term Date.

"Tranche A Commitment"

means, in respect of a Lender, the amount in Sterling set opposite the name of that Lender in Column 1 of Schedule 1 to the extent not transferred, cancelled or reduced under this Agreement.

"Tranche A Term Date"

means in relation to any Lender:

- (a) the date which is one year less one day after the Signing Date; or
- (b) such later date as may be agreed by that Lender under Clause 5.6 (Extension of Tranche A Availability Period)

or, if any such day is not a Business Day, the preceding Business Day.

"Tranche A Term-out Option"

means the option to draw a Term-out Advance under Tranche A pursuant to Clause 6.1 (Repayment of Tranche A Advances).

"Tranche A Total Commitments"

means the aggregate for the time being of the Tranche A Commitments, being £360,000,000 at the Signing Date.

"Tranche B Advance"

means an advance made to a Borrower under Tranche B.

"Tranche B Availability Period"

means the period from and including the Signing Date up to and including the date falling one month before the Final Maturity Date.

"Tranche B Commitment"

means, in respect of a Lender, the amount in Sterling set opposite the name of that Lender in Column 2 of Schedule 1 to the extent not transferred, cancelled or reduced under this Agreement.

"Tranche B Total Commitments"

means the aggregate for the time being of the Tranche B Commitments, being £640,000,000 at the Signing Date.

"UK" or "United Kingdom"

means the United Kingdom of Great Britain and Northern Ireland.

"UK Non-Bank Lender"

means:

- (a) a company resident in the UK for UK tax purposes; or
- (b) a partnership each member of which is a company resident in the UK for UK tax purposes; or
- (c) a company not resident in the UK for UK tax purposes which carries on a trade in the U.K. through a branch or agency and brings into account payments made to it under this Agreement in computing its chargeable profits for the purpose of section 11(2) of the Income and Corporation Taxes Act 1988,

which, in each case, is beneficially entitled to payments made to it under this Agreement and which has provided to the Parent, and not retracted, confirmation of the above.

"Utilisation Date"

means the date for the making of an Advance.

1.2 Construction

(a) In this Agreement, unless the contrary intention appears, a reference to:

(i) **"assets"** includes properties, revenues and rights of every description;

an **"authorisation"** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration and notarisation;

a **"month"** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that, if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that calendar month;

a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation; and

a reference to the currency of a country is to the lawful currency of that country for the time being, **"£"** and **"Sterling"** is a reference to the lawful currency of the United Kingdom for the time being and **"U.S. \$"** and **"U.S. Dollars"** is a reference to the lawful currency of the United States of America for the time being;

(ii) a provision of a law is a reference to that provision as amended or re-enacted;

(iii) a Clause or a Schedule is a reference to a clause of or a schedule to this Agreement;

- (iv) a person includes its successors and assigns;
 - (v) a Finance Document or another document is a reference to that Finance Document or that other document as amended, novated or supplemented; and
 - (vi) a time of day is a reference to London time.
- (b) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Finance Document, the consent of any third party is not required for any variations (including any release or compromise of any liability) or termination of that Finance Document.
- (c) Unless the contrary intention appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (d) The index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement.

2. THE FACILITY

2.1 Facilities

The Lenders grant to the Borrowers the following facilities:

- (a) a committed multicurrency revolving credit facility, with an option to draw a Term-out Advance, to be designated as **Tranche A**, under which the Lenders will, when requested by a Borrower, make cash advances in Sterling or Optional Currencies to that Borrower on a revolving basis during the Tranche A Availability Period; and
- (b) a committed multicurrency revolving credit facility, to be designated as **Tranche B**, under which the Lenders will, when requested by a Borrower, make cash advances in Sterling or Optional Currencies to that Borrower on a revolving basis during the Tranche B Availability Period;

in each case subject to the terms of this Agreement.

2.2 Overall facility limit

- (a) The aggregate Original Sterling Amount of all outstanding Advances:
 - (i) under Tranche A shall not at any time exceed the Tranche A Total Commitments at that time; and
 - (ii) under Tranche B shall not at any time exceed the Tranche B Total Commitments at that time.
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The aggregate Original Sterling Amount of:

- (i) participations of a Lender in Tranche A Advances shall not at any time exceed its Tranche A Commitment at that time; and
- (ii) participations of a Lender in Tranche B Advances shall not at any time exceed its Tranche B Commitment at that time.

2.3 Number of Requests

No more than one Request in respect of each Facility may be delivered on any one day but such Request may specify any number of Advances.

2.4 Nature of a Finance Party's rights and obligations

- (a) The obligations of a Finance Party under the Finance Documents are several. Failure of a Finance Party to carry out those obligations does not relieve any other Party of its obligations under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of a Finance Party under the Finance Documents are divided rights. A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce those rights.

2.5 Obligors' Agent

Each Obligor irrevocably authorises and instructs the Parent to give and receive as agent on its behalf all notices (including Requests) and sign all documents in connection with the Finance Documents on its behalf (including Novation Agreements under Clause 7.6(b) (Changes to Borrowers)) and take such other action as may be necessary or desirable under or in connection with the Finance Documents and confirms that it will be bound by any action taken by the Parent under or in connection with the Finance Documents.

2.6 Actions of Parent

The respective liabilities of each of the Obligors under the Finance Documents shall not be in any way affected by:

- (a) any irregularity (or purported irregularity) in any act done by or any failure (or purported failure) by the Parent; or
- (b) the Parent acting (or purporting to act) in any respect outside any authority conferred upon it by any Obligor; or
- (c) the failure (or purported failure) by, or inability (or purported inability) of, the Parent to inform any Obligor of receipt by it of any notification under a Finance Document.

3. PURPOSE

- (a) Each Advance will be applied:
 - (i) in the case of Tranche A, in or towards providing finance for short term liquidity requirements of the Group including, without limitation, working capital financing and providing standby liquidity for commercial paper;
 - (ii) in the case of Tranche B, in or towards the general corporate purposes of the Group.
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- (b) Without affecting the obligations of any Borrower in any way, no Finance Party is bound to monitor or verify the application of the proceeds of any Advance.

4. CONDITIONS PRECEDENT

4.1 Documentary conditions precedent

The obligations of each Finance Party to any Borrower under this Agreement are subject to the condition precedent that the Agent has notified the Parent and the Lenders that it has received all of the documents set out in Part I of Schedule 2 in form and substance satisfactory to the Agent, acting reasonably. The Agent will promptly notify the Parent upon such receipt.

4.2 Further conditions precedent

The obligations of each Lender to participate in an Advance are subject to the further conditions precedent that on the date of the Request for the Advance and on its Utilisation Date:

- (a) except in the case of a Rollover, the representations and warranties in Clause 15 (Representations and Warranties) to be repeated in accordance with Clause 15.13(c) (Times for making representations and warranties) on those dates are correct in all material respects and will be correct in all material respects immediately after the disbursement of the Advance;
- (b) except in the case of a Rollover, no Default or Mandatory Prepayment Event is outstanding or would result from the disbursement of the Advance; and
- (c) the Advance would not cause Clause 2.2 (Overall facility limit) to be contravened.

5. ADVANCES

5.1 Receipt of Requests

A Borrower may borrow Advances if the Agent receives, not later than 5.00 p.m. on the third Business Day before the proposed Utilisation Date, or, in the case of an Advance in Sterling, not later than 8.00 a.m. on the proposed Utilisation Date, a duly completed Request.

5.2 Completion of Requests

A Request will not be regarded as having been duly completed unless:

- (a) the Utilisation Date is a Business Day during the Tranche A Availability Period (in respect of a Tranche A Advance) or the Tranche B Availability Period (in respect of a Tranche B Advance);
 - (b) only one currency is specified for each separate Advance and the Requested Amount for each separate Advance is:
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- (i) in a minimum Original Sterling Amount of £50,000,000 (rounded to the nearest convenient 100,000 units in the case of currencies other than Sterling); or
 - (ii) the balance of the undrawn Tranche A Total Commitments or Tranche B Total Commitments, as the case may be;
- (c) only one Term or, in the case of the Term-out Advance, Interest Period for each separate Advance is specified which:
- (i) does not overrun the Tranche A Term Date (in respect of Tranche A Advances (other than the Term-out Advance)) or the Final Maturity Date (in respect of Tranche B Advances); and
 - (ii) is a period of one month, two, three or six months (or, in any case, such other period as all the Lenders may previously have agreed for the purposes of such Advance);
- (d) the currency specified is either Sterling or an Optional Currency;
- (e) the payment instructions comply with Clause 9.1 (Place of Payment); and
- (f) in the case of the Term-out Advance, the Maturity Date is specified.

5.3 Amount of each Lender's participation

The amount of a Lender's participation in an Advance will be the proportion of the Requested Amount which:

- (a) in the case of a Tranche A Advance and subject to Clause 5.6 (Extension of Tranche A Availability Period) and Clause 6.1 (Repayment of Tranche A Advances), its Tranche A Commitment bears to the Tranche A Total Commitments; and
 - (b) in the case of a Tranche B Advance, its Tranche B Commitment bears to the Tranche B Total Commitments,
- on the date of receipt of the relevant Request.

5.4 Notification of the Lenders

The Agent shall promptly notify each Lender of the details of the requested Advance(s) and the amount of its participation(s) in Advance(s).

5.5 Payment of Proceeds

Subject to the terms of this Agreement, each Lender shall make its participation in an Advance available to the Agent for the Borrower for value on the relevant Utilisation Date.

5.6 Extension of Tranche A Availability Period

- (a) Subject to paragraphs (e) and (f) below, not more than 60 nor less than 30 days prior to a Tranche A Term Date, the Parent may, by notice to the Agent (who shall promptly and in any event within two Business Days of receipt thereof, send a copy to the Lenders), request that the availability of the Tranche A Commitments whose availability expires on that Tranche A Term Date be extended to the date falling one year less one day after that Tranche A Term Date.
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- (b) Each Lender participating in Tranche A shall notify the Agent no later than 15 days prior to the relevant Tranche A Term Date whether or not it agrees to the availability of its Tranche A Commitment being extended as requested. If no notice is received by the Agent from a Lender by the date falling 15 days prior to the relevant Tranche A Term Date, the availability of such Lender's Tranche A Commitment shall not be extended.
- (c) As soon as practicable after it establishes which of the relevant Lenders (if any) agree to the availability of their Tranche A Commitments being so extended, the Agent shall, by notice to the Parent and each Lender participating in Tranche A, confirm those Lenders which have agreed to extend the Tranche A Availability Period and those which have not.
- (d) If any Request (other than a Request for a Term-out Advance) for a Tranche A Advance specifies a Maturity Date after the Tranche A Term Date applicable to a Lender, that Lender's Tranche A Commitment shall be excluded from the calculations of "Tranche A Commitment" and "Tranche A Total Commitments" in Clause 5.3 (Amount of each Lender's participation) in relation to that Request and that Lender shall not participate in that Tranche A Advance.
- (e) No Lender is under any obligation to extend the Availability Period applicable to any of its Commitments. The Tranche A Term Date for any Lender may not extend beyond the Final Maturity Date.
- (f) The Tranche A Term Date shall not be extended for any Lender pursuant to this Clause 5.6 if a Borrower has given a Request for the Term-out Advance.

6. REPAYMENT

6.1 Repayment of Tranche A Advances

- (a) Each Borrower shall repay each Tranche A Advance made to it in full on its Maturity Date to the Agent for the relevant Lenders, but, since Tranche A, other than the Term-out Advance, is available on a revolving basis, amounts repaid may be reborrowed subject to the terms of this Agreement. Subject to paragraph (b) below, no Tranche A Advance may be outstanding after the Tranche A Term Date.
- (b) Subject to paragraph (e) below, a Borrower may, no earlier than 30 days prior to a Tranche A Term Date, by delivery of a duly completed Request to the Agent under Clause 5 (Advances) (who shall promptly and in any event within three Business Days of receipt thereof, send a copy of the same to the Lenders), elect to draw a single Tranche A Advance (the "**Term-out Advance**") in an amount of up to the lesser of:
 - (i) the Tranche A Total Commitments; and
 - (ii) the Relevant Proportion of the Tranche A Total Commitments,

at that time. The Term-out Advance, once repaid or prepaid, may not be reborrowed.

For the purposes of this paragraph (b) "**Relevant Proportion**" shall mean:

$$\frac{X}{Y}$$

where:

X is 160,000,000; and

Y is 360,000,000 less the amount of any voluntary cancellation of the Tranche A Total Commitments.

- (c) The Term-out Advance (if any) may not be outstanding after the third Anniversary.
- (d) If the Term-out Advance has been drawn pursuant to Clause 6.1(b), no further Tranche A Advances may be made.
- (e) No Borrower may deliver a Request to draw the Term-out Advance if a Borrower has delivered a Request to borrow a Tranche A Advance the Maturity Date of which extends beyond any Tranche A Term Date then applicable to a Lender.

6.2 Repayment of Tranche B Advances

Each Borrower shall repay each Tranche B Advance made to it in full on its Maturity Date to the Agent for the relevant Lenders, but, since Tranche B is available on a revolving basis, amounts repaid may be reborrowed subject to the terms of this Agreement. No Tranche B Advance may be outstanding after the Final Maturity Date.

7. PREPAYMENT AND CANCELLATION

7.1 Automatic Cancellation of the Commitments

- (a) Except to the extent of its participation in the Term-out Advance (if any) drawn under Clause 6.1 (Repayment of Tranche A Advances), the Tranche A Commitment of each Lender shall be automatically cancelled at the close of business in London on the Tranche A Term Date applicable to that Lender. Thereafter each Lender's Tranche A Commitment shall be cancelled by the amount of each prepayment and repayment of the Term-out Advance received by it on the date of such receipt.
- (b) The undrawn Tranche B Commitment of each Lender shall be automatically cancelled at the close of business in London on the last day of the Tranche B Availability Period and the balance (if any) of a Lender's Tranche B Commitment shall be cancelled on the Final Maturity Date.

7.2 Voluntary Cancellation

The Parent may at any time, by giving not less than 15 days' prior written notice to the Agent cancel the unutilised portion of the Tranche A Total Commitments and/or Tranche B Total Commitments in whole or in part (but, if in part, in a minimum amount of £50,000,000 or the balance of the unutilised Tranche A Total Commitments and/or Tranche B Total Commitments, as applicable). Any cancellation in part of the Tranche A Total Commitments or, as the case may be, Tranche B Total Commitments shall be applied against the Tranche A Commitment or, as the case may be, the Tranche B Commitment of each Lender pro rata.

7.3 Voluntary prepayment

- (a) Any Borrower may, by giving not less than 10 Business Days' prior notice to the Agent, prepay without premium or penalty the whole or any part of the Advances made to it (but, if in part, in an aggregate minimum Original Sterling Amount, taking all prepayments made by all the Borrowers on the same day together, of £50,000,000).
- (b) Any voluntary prepayment under paragraph (a) above will be applied against the Advances pro rata (or against such Advances as the relevant Borrower shall designate in the notice of prepayment) and pro rata between the participations of the Lenders in such Advances.

7.4 Mandatory Prepayment Events

- (a) If at any time:
 - (i) it is or becomes unlawful for any Obligor to perform any of its obligations under the Finance Documents in any material respect; or
 - (ii) the guarantee of any Guarantor under Clause 14 (Guarantee) is not effective or is alleged by that Guarantor to be ineffective for any reason; or
 - (iii) any single person, or group of persons acting in concert (as defined in the City Code on Takeovers and Mergers), acquires control (as defined in Section 416 of the Income and Corporation Taxes Act 1988) of the Parent (unless such change in control occurs as a result of a scheme of arrangement which effects the interposition of a limited liability company ("**NewCo**") between the shareholders of the Parent immediately prior to the scheme of arrangement (the "**Existing Shareholders**") and the Parent provided immediately after completion of the scheme of arrangement the Existing Shareholders are the only shareholders of NewCo and that all Subsidiaries of the Parent immediately prior to the scheme of arrangement are Subsidiaries of the Parent immediately after completion of the scheme of arrangement or any other scheme of arrangement which does not prejudice the interests of the Lenders),

then the Agent shall, if instructed to do so by the Majority Lenders, by notice to the Parent:

- (A) call for prepayment of all the Advances on such date as it may specify in such notice whereupon all the Advances shall become due and payable on such date together with accrued interest and any other sums then owed by the Obligors under the Finance Documents; and
 - (B) declare that the Total Commitments shall be cancelled, whereupon the Total Commitments shall be cancelled and the Commitments of each Lender shall be cancelled and reduced to zero.
- (b) If a Mandatory Prepayment Event occurs in respect of a Guarantor (other than the Parent) under paragraph (a)(i) above (in respect of its obligations as a Guarantor only) or under paragraph (a)(ii) above, the Agent shall not be entitled to give a notice to the Parent in accordance with paragraphs (a)(A) or (a)(B) above, if:
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- (i) within five Business Days of becoming aware of the relevant Mandatory Prepayment Event, the relevant Guarantor ceases to be a Guarantor in accordance with Clause 14.9 (Removal of Guarantor); and
 - (ii) at the time of it ceasing to be a Guarantor, there is no breach of Clause 16.5 (Upstream Guarantees).

7.5 Mandatory Prepayment by Borrowers

If any Borrower (other than the Parent) ceases to be a wholly-owned Subsidiary of the Parent it shall forthwith prepay all Advances made to it together with all amounts payable by it under this Agreement and thereupon cease to be a Borrower.

7.6 Changes to Borrowers

- (a) Any Borrower (other than the Parent) in respect of which no Advance is outstanding hereunder (including any other amounts outstanding in relation thereto) may, at the request of the Parent, cease to be a Borrower by entering into a supplemental agreement to this Agreement in such form as the Agent may reasonably require which shall discharge that Borrower's obligations hereunder.
- (b) Any Borrower (other than the Parent) (the "**Existing Borrower**") may be released from its obligations under this Agreement as a Borrower provided that another Borrower (the "**Substitute Borrower**") assumes the obligations in respect thereof of the Existing Borrower and provided further that:
 - (i) any such substitution shall take effect on and from the later of the day upon which the Agent notifies the Parent in writing that it is satisfied with the compliance with the matters set out in paragraph (b)(iii) below and the date for substitution specified in the relevant notice under paragraph (b)(ii) below;
 - (ii) notice of the proposed substitution has been delivered by the Parent to the Agent not less than 14 days prior to the proposed substitution; and
 - (iii) the Substitute Borrower enters into a Novation Agreement with the Existing Borrower, the Parent and the Agent on behalf of the Lenders in the form of Part IV of Schedule 5 together with such amendments as the Agent may reasonably require.

Each Lender authorises the Agent to sign on its behalf any Novation Agreement entered into in accordance with this paragraph (b).

7.7 Right of prepayment and cancellation

If any Borrower is required to pay or is notified by any Lender in writing that it will be required to pay any amount to a Lender under Clause 10 (Taxes) or Clause 12 (Increased Costs), or if circumstances exist such that a Borrower will be required to pay any amount to a Lender under Clause 10 (Taxes), the Parent may, whilst the circumstances giving rise or which will give rise to the requirement continue, serve a notice of prepayment and cancellation on that Lender through the Agent. On the date falling five Business Days after the date of service of the notice:

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- (a) each Borrower shall prepay all of that Lender's participations in outstanding Advances; and
 - (b) the Lender's Tranche A Commitment and Tranche B Commitment shall be permanently cancelled on the date of service of the notice.

7.8 Miscellaneous provisions

- (a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable. The Agent shall notify the Lenders promptly of receipt of any such notice.
- (b) All prepayments under this Agreement shall be made together with accrued interest on the amount prepaid and any other amounts due under this Agreement in respect of that prepayment (including, but not limited to, any amounts payable under Clause 23.2(c) (Other indemnities) if not made on an Interest Date for the Term-out Advance or on a Maturity Date for the relevant Tranche A Advance or Tranche B Advance).
- (c) No prepayment or cancellation is permitted except in accordance with the express terms of this Agreement.
- (d) Subject to the terms of this Agreement, any amount prepaid under Clause 7.3 (Voluntary Prepayment) may be reborrowed except that no amount repaid in respect of a Term-out Advance may subsequently be re-borrowed. No amount of the Total Commitments cancelled under this Agreement may subsequently be reinstated.

8. INTEREST

8.1 Selection of Interest Periods for Term-out Advances

The period for which the Term-out Advance may be outstanding is divided into successive periods (each an "**Interest Period**") for the calculation of interest. The first Interest Period of the Term-out Advance will be the period selected in the Request for the Term-out Advance. Each subsequent Interest Period will be the period selected by the relevant Borrower by notice to the Agent received not later than 8.00 a.m. on the second Business Day (or the second TARGET Day in the case of a Term-out Advance denominated in euro) before the end of the then current Interest Period (or, in the case of a Term-out Advance denominated in Sterling, not later than 8.00 a.m. on the last day of the then current Interest Period) (being one month, two, three or six months or in any case such other period as the Parent and all the Lenders may agree from time to time which does not overrun the Maturity Date for the Term-out Advance) or, if no notice from the relevant Borrower is received by the Agent, one month or such shorter period as will end on the Maturity Date for the Term-out Advance.

8.2 Interest rate for all Advances

The rate of interest on each Advance (except the Term-out Advance) for its Term and for the Term-out Advance for each of its Interest Periods is the rate per annum determined by the Agent to be the aggregate of:

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- (a) the applicable Margin;
 - (b) LIBOR or, in the case of an Advance denominated in euros, EURIBOR; and
 - (c) the Mandatory Cost.

8.3 Due dates

Except as otherwise provided in this Agreement, accrued interest on each Advance is payable by the relevant Borrower:

- (a) in the case of an Advance (other than the Term-out Advance), on its Maturity Date; and
- (b) in the case of a Term-out Advance, on each Interest Date applicable to the Term-out Advance,

and also, in the case of any Advance with an Interest Period or a Term longer than six months, at six-monthly intervals after its Utilisation Date for so long as the Interest Period or the Term is outstanding.

8.4 Non-Business Days

If an Interest Period or Term would otherwise end on a day which is not a Business Day, that Term shall instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

8.5 Default interest

- (a) If a Borrower fails to pay any amount payable by it under this Agreement (an "**overdue amount**"), it shall forthwith on demand by the Agent pay interest on the overdue amount from the due date up to the date of actual payment, both before and after judgment, at a rate (the "**default rate**") determined by the Agent to be one per cent. per annum above the higher of:
 - (i) the rate on the overdue amount under Clause 8.2 (Interest rate for all Advances) immediately before the due date (in the case of principal); and
 - (ii) the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Tranche B Advance at the highest Margin applicable at the time in the currency of the overdue amount for such successive Interest Periods or Terms of such duration as the Agent may determine (each a "**Designated Term**").
 - (b) The default rate will be determined on each Business Day or the first day of, or two Business Days before the first day of, the relevant Designated Term, as appropriate.
 - (c) If the Agent determines that deposits in the currency of the overdue amount are not at the relevant time being made available by the Reference Banks to leading banks in the London interbank market, the default rate will be determined by reference to the cost of funds to the Agent from whatever sources it selects after consultation with the Reference Banks.
 - (d) Default interest will be compounded at the end of each Designated Term.
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8.6 Notification of rates of interest

The Agent will promptly notify each relevant Party of the determination of a rate of interest under this Agreement.

8.7 Margin and commitment fee

- (a) The Margin (expressed as a percentage per annum) will be set in accordance with paragraphs (b) and (c) below to the percentage rate specified in the table below set opposite the long term credit rating assigned by the Rating Agencies to the Parent, as follows:

Credit Rating by Moody's/S&P	Tranche A Margin (per cent. per annum)	Tranche B Margin (per cent. per annum)
Aa3/AA- or higher	0.300	0.375
A1/A+ or A2/A	0.325	0.400
A3/A-	0.425	0.500
Baa1/BBB+ or Baa2/BBB	0.475	0.600
Baa3/BBB- or lower	0.575	0.700

- (b) Promptly after becoming aware of the same, the Parent shall notify the Agent in writing if any change in the long term credit rating assigned to the Parent occurs or the circumstances contemplated by paragraph (d)(v) below arise (each an "**Adjustment Event**").
- (c) (i) The Margin will be adjusted (if applicable) three Business Days after receipt by the Agent of notification of an Adjustment Event in accordance with paragraph (b) above or, if earlier, three Business Days after the date on which the Agent otherwise becomes aware of that Adjustment Event; and
- (ii) the Agent shall notify in writing the Lenders and the Parent of any adjustment to the Margin under sub-paragraph (i) above.
- (d) For the purposes of this Clause 8.7:
- (i) "**Rating Agency**" means either of Moody's and S&P;
- (ii) the "**long term credit rating**", means at any time, the long term unsecured credit rating assigned at that time to the Parent by a Rating Agency;
- (iii) if at any time there is a difference in the long term credit rating assigned to the Parent by the Rating Agencies, the applicable Margin will be determined as the average of the margin levels specified opposite the relevant ratings in respect of the relevant Tranche in the table set out in paragraph (a) above;
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- (iv) if only one Rating Agency assigns a long term credit rating the Margin will be determined on the basis of the rating of that Rating Agency; and
 - (v) if there is no long term credit rating assigned by either Rating Agency, the Margin will be determined as if Moody's and S&P had assigned long term credit ratings of Baa3 and BBB- respectively.
- (e) The commitment fee in relation to a Tranche referred to in Clause 20.1 (Commitment fee) shall be on each day:
- (i) (in the case of Tranche A) thirty five per cent. (35%) of the Margin which would be applicable to a Tranche A Advance if that Advance were drawn on such day; and
 - (ii) (in the case of Tranche B) forty per cent. (40%) of the Margin which would be applicable to a Tranche B Advance if that Advance were drawn on such day.

8.8 Optional Currency Term-out Advance

- (a) If the Term-out Advance is denominated in an Optional Currency, at the end of each Interest Period there shall be calculated the difference between the amount of the Term-out Advance (in that Optional Currency) for the current Interest Period and for the next Interest Period. The amount of the Term-out Advance for the next Interest Period will be determined by notionally converting into that Optional Currency the Original Sterling Amount of the Term-out Advance on the basis of the Agent's Spot Rate of Exchange three business Days before the start of that Interest Period.
- (b) At the end of the current Interest Period (but subject always to paragraph (c) below):
- (i) if the amount of the Term-out Advance for the next Interest Period is less than for the preceding Interest Period, the relevant Borrower shall repay the difference; or
 - (ii) if the amount of the Term-out Advance for the next Interest Period is greater than for the preceding Interest Period, provided that no Default has occurred and is continuing, each Lender shall forthwith make available to the Agent for the relevant Borrower its participation in the difference.
- (c) If the Agent's Spot Rate of Exchange for the next Interest Period shows an appreciation or depreciation of the Optional Currency against Sterling of less than five per cent. when compared with the result achieved by using the Original Exchange Rate, no amounts are payable in respect of the difference. In this Clause 8.8 and in Clause 8.9 (Prepayments and repayments) "**Original Exchange Rate**" means the Agent's Spot Rate of Exchange used for determining the amount of the Optional Currency for the Interest Period which is the later of the following:
- (i) the Interest Period during which the Term-out Advance was first denominated in that Optional Currency if the Term-out Advance has since then remained denominated in that Optional Currency; and
 - (ii) the most recent Interest Period immediately prior to which a difference was required to be paid under this Clause 8.8.
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8.9 Prepayments and repayments

If the Term-out Advance is to be repaid or prepaid by reference to an Original Sterling Amount, the Optional Currency amount to be repaid or prepaid in that Optional Currency shall be determined by reference to the Original Exchange Rate applicable to the Term-out Advance.

8.10 Notification of Optional Currency amounts

The Agent shall notify the Lenders and the Borrower of Optional Currency amounts (and the applicable Agent's Spot Rate of Exchange) and whether any payment is required to be made under Clause 8.8(b) (Same Optional Currency) promptly after they are ascertained.

8.11 Other adjustments

- (a) A Borrower may, in a selection notice for an outstanding Term-out Advance given pursuant to Clause 8.1 (Selection of Interest Periods for Term-out Advances), request the splitting of the Term-out Advance provided that:
 - (i) no Term-out Advance may have an Original Sterling Amount of less than £50,000,000; and
 - (ii) each Term-out Advance requested in the selection notice must have an Interest Period complying with Clause 8.1 (Selection of Interest Periods for Term-out Advances).
- (b) The Agent and a Borrower may enter into such other arrangements as they may agree for the adjustment of the Interest Period and the consolidation and/or splitting of the Term-out Advance made to that Borrower, provided that no Interest Period in excess of six months may be agreed by the Agent without the prior agreement of all the Lenders.

9. PAYMENTS

9.1 Place of Payment

All payments by an Obligor or a Lender under this Agreement shall be made to the Agent to its account at such office or bank in the principal financial centre of the country of the currency concerned (or, in the case of euro, the financial centre of such of the Participating Member States or London) as it may notify to the Obligor or Lender for this purpose.

9.2 Funds

Payments under this Agreement to the Agent shall be made for value on the due date at such times and in such funds as the Agent may specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

9.3 Distribution

- (a) Each payment received by the Agent under this Agreement for another Party shall, subject to paragraphs (b) and (c) below, be made available by the Agent to that Party by payment (on the date and in the currency and funds of receipt) to its account with such bank in the principal financial centre of the country of the relevant currency (or, in the case of euro, the financial centre of such of the Participating Member States or London) as it may notify to the Agent for this purpose by not less than five Business Days' prior notice.
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- (b) The Agent may apply any amount received by it for an Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from an Obligor under this Agreement or in or towards the purchase of any amount of any currency to be so applied.
 - (c) Where a sum is to be paid under this Agreement to the Agent for the account of another Party, the Agent is not obliged to pay that sum to that Party until it has established that it has actually received that sum. The Agent may, however, assume that the sum has been paid to it in accordance with this Agreement and, in reliance on that assumption, make available to that Party a corresponding amount. If the sum has not been made available but the Agent has paid a corresponding amount to another Party, that Party shall forthwith on demand refund the corresponding amount to the Agent together with interest on that amount from the date of payment to the date of receipt, calculated at a rate reasonably determined by the Agent to reflect its cost of funds.

9.4 Currency

- (a) A repayment or prepayment of an Advance is payable in the currency in which the Advance is denominated.
- (b) Interest is payable in the currency in which the relevant amount in respect of which it is payable is denominated.
- (c) Amounts payable in respect of costs, expenses, taxes and the like are payable in the currency in which they are incurred.
- (d) Any other amount payable under this Agreement is, except as otherwise provided in this Agreement, payable in Sterling.

9.5 Set-off and counterclaim

All payments made by an Obligor under this Agreement shall be made without set-off or counterclaim.

9.6 Non-Business Days

- (a) If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment shall instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal under this Agreement interest is payable on the principal at the rate payable on the original due date.

9.7 Partial payments

- (a) If the Agent receives a payment insufficient to discharge all the amounts then due and payable by an Obligor under this Agreement, the Agent shall apply that payment towards the obligations of the Obligors under this Agreement in the following order:
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- (i) **first**, in or towards payment pro rata of any unpaid costs, fees and expenses of the Agent under this Agreement;
 - (ii) **secondly**, in or towards payment pro rata of any accrued fees due but unpaid under Clause 20 (Fees);
 - (iii) **thirdly**, in or towards payment pro rata of any interest due but unpaid under this Agreement;
 - (iv) **fourthly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
 - (v) **fifthly**, in or towards payment pro rata of any other sum due but unpaid under this Agreement.
- (b) The Agent shall, if so directed by all the Lenders, vary the order set out in sub-paragraphs (a)(ii) to (v) above.
 - (c) Paragraphs (a) and (b) above shall override any appropriation made by any Obligor.

10. TAXES

10.1 Gross-up

- (a) All payments by an Obligor under the Finance Documents shall be made free and clear of and without deduction for or on account of any taxes, except to the extent that the Obligor is required by law to make payment subject to any taxes. Subject to paragraph (b) below, if any tax or amounts in respect of tax must be deducted from any amounts payable or paid by an Obligor, or paid or payable by the Agent to a Finance Party, under the Finance Documents, the Obligor shall pay such additional amounts as may be necessary to ensure that the relevant Finance Party receives a net amount equal to the full amount which it would have received had payment not been made subject to tax.
- (b) An Obligor is not obliged to pay any additional amount pursuant to paragraph (a) above in respect of any deduction which would not have been required if the relevant Finance Party had completed a declaration, claim or exemption or other form which it is able to complete.

10.2 Tax receipts

All taxes required by law to be deducted or withheld by an Obligor from any amounts paid or payable under the Finance Documents shall be paid by the relevant Obligor when due and the Obligor shall, within 15 days of the payment being made, deliver to the Agent for the relevant Lender evidence satisfactory to that Lender (including any relevant tax receipts, or certified copies thereof) that the payment has been duly remitted to the appropriate authority.

10.3 Qualifying Lender

- (a) If:
 - (i) on the Signing Date, any Lender which is a Party on the Signing Date is not a Qualifying Lender; or
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(ii) after the first Utilisation Date, a Lender ceases to be a Qualifying Lender other than as a result of the introduction of, suspension, withdrawal or cancellation of, or change in, or change in the interpretation, administration or application by the UK Inland Revenue or any other relevant taxing or fiscal authority in any jurisdiction with which the relevant Lender has a connection of, any law, regulation having the force of law, tax treaty or any published practice or published concession of the UK Inland Revenue or any other relevant taxing or fiscal authority in any jurisdiction with which the relevant Lender has a connection, occurring after the Signing Date; or

(iii) on the date of any novation under Clause 26 (Changes to the Parties), a New Lender (as such term is defined in that Clause) is not a Qualifying Lender,

then no Obligor shall be liable to pay to that Lender under Clause 10.1 (Gross-up) any amount in respect of taxes levied or imposed by the UK or any taxing authority of or in the UK in excess of the amount it would have been obliged to pay if that Lender had been a Qualifying Lender on such date.

(b) Any confirmation by a UK Non-Bank Lender of its status as described in the definition of UK Non-Bank Lender in Clause 1.1 (Definitions) must be given to the Agent on or promptly after the date that the UK Non-Bank Lender becomes a Lender. The Agent must promptly forward any confirmation received by it to the Parent. A UK Non-Bank Lender must promptly notify the Parent through the Agent of any change to its status that may affect any confirmation made by it.

10.4 Tax Credit

(a) If an Obligor makes a payment pursuant to Clause 10.1 (Gross-up) for the account of any Finance Party and such Finance Party has received or been granted a credit against, or relief or remission or repayment of, any tax paid or payable by it (a "**Tax Credit**") which is attributable to that payment or the corresponding payment under the Finance Document such Finance Party shall, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Obligor concerned such amount as the Finance Party shall have reasonably determined to be attributable to such payments and which will leave the Finance Party (after such payment) in no better or worse position than it would have been if the Obligor concerned had not been required to make any deduction or withholding identified under Clause 10.1 (Gross-up).

(b) Nothing in this Clause 10.4 shall interfere with the right of a Finance Party to arrange its tax affairs in whatever manner it thinks fit and without limiting the foregoing no Finance Party shall be under any obligation to claim a Tax Credit or to claim a Tax Credit in priority to any other claims, relief, credit or deduction available to it. No Finance Party shall be obliged to disclose any information relating to its tax affairs or any computations in respect thereof. Unless it would in a Lender's reasonable judgement be prejudicial to its interests, such Lender shall seek any Tax Credit available to it consequent upon any deductions for tax being made from any payment to it under Clause 10.1 (Gross up).

11. MARKET DISRUPTION

11.1 Market disturbance

Notwithstanding anything to the contrary herein contained, if and each time that prior to or on a Utilisation Date relative to an Advance to be made (or the first day of any Interest Period in the case of an outstanding Term-out Advance):

- (a) only one or no Reference Bank supplies a rate for the purposes of determining LIBOR (if that Advance is denominated in a currency other than euros) or EURIBOR (if that Advance is denominated in euros); or
- (b) the Agent is notified by Lenders whose Commitments represent 35 per cent. or more of the Total Commitments that deposits in the currency of that Advance are not in the ordinary course of business available in the London Interbank Market (or if the Advance is denominated in euros the European Interbank Market) for a period equal to the Term concerned in amounts sufficient to fund their participations in that Advance; or
- (c) the Agent (after consultation with the Reference Banks) shall have determined (which determination shall be conclusive and binding upon all Parties) that by reason of circumstances affecting the London Interbank Market (or if the Advance is denominated in euros the European Interbank Market) generally, adequate and fair means do not exist for ascertaining the LIBOR or EURIBOR applicable to such Advance during its Interest Period or Term or LIBOR or EURIBOR (as applicable) does not adequately represent the cost of funding to the Lenders,

the Agent shall promptly give written notice of such determination or notification to the Parent and to each of the Lenders.

11.2 Alternative Rates

If the Agent gives a notice under Clause 11.1 (Market disturbance):

- (a) the Parent and the Lenders may (through the Agent) agree that (in the case of an Advance (except the Term-out Advance)) the Advance concerned shall not be borrowed; or
 - (b) in the absence of such agreement (and in any event in the case of the Term-out Advance):
 - (i) the Interest Period or Term of the Advance shall be one month;
 - (ii) in the case of Clause 11.1(b) (Market disturbance), the Advance shall be made in Sterling in an amount equal to the Original Sterling Amount of the Advance concerned; and
 - (iii) during the Interest Period or Term of each Advance the rate of interest applicable to the participation of each Lender in such Advance shall be the applicable Margin plus applicable Mandatory Cost plus the rate per annum notified by the Lender concerned to the Agent before the last day of such Interest Period or Term to be that which expresses as a percentage rate per annum the cost to such Lender of funding its participation in such Advance from whatever sources it may reasonably select.
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Within five Business Days of receipt of a notice under paragraph (a) above, if the Parent or the Agent requires, the Parent and the Agent shall enter into negotiations for a period of not more than 30 days with a view to agreeing a substitute basis for determining the rate of interest applicable to the affected Advance and any future Advance. Any substitute basis agreed shall, with the prior consent of all the Lenders, be binding on all the Parties.

11.3 Non-availability of currency

If any Lender notifies the Agent before 10.00 a.m. two Business Days prior to the proposed Utilisation Date of an Advance to be denominated in an Optional Currency (other than U.S. Dollars or euro) that it is unable for any reason to fund its participation in such Advance in the Optional Currency concerned, the Agent shall notify the Parent and such Lender shall make its participation in the Advance available in Sterling for the period in question.

11.4 Change in circumstances

If before 9.00 a.m. on the proposed Utilisation Date of an Advance which is to be denominated in an Optional Currency (other than U.S. Dollars or euro) there occurs any change in national or international financial, political or economic conditions, currency availability, currency exchange rates or exchange controls, which in the opinion of the Agent renders the making of the Advance in such currency impracticable:

- (a) the Agent shall give notice to each of the Lenders and the Parent to that effect as soon as practicable but in any event before 11.00 a.m. on the proposed Utilisation Date;
- (b) unless the Parent and the Lenders agree otherwise, the Advance shall be made in Sterling and the Rate Fixing Date for the Term of the Advance shall be the Utilisation Date; and
- (c) the relevant Borrower shall pay to the Agent on behalf of the Lenders any amount claimed in accordance with Clause 23.2 (Other Indemnities).

11.5 Change in currency

- (a) If more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent; and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent acting reasonably.
 - (b) If any change in any currency of a country occurs, this Agreement will be amended to the extent the Agent specifies to be necessary to reflect the change in the currency and to put the Finance Parties in the same position, so far as possible, that they would have been in if no change in currency has occurred.
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12. INCREASED COSTS

12.1 Increased costs

- (a) Subject to Clause 12.2 (Exceptions), the Parent shall within three Business Days of demand by a Finance Party pay that Finance Party the amount of any increased cost incurred by it or any of its holding companies as a result of any change in or introduction of any law or regulation (including any relating to taxation or reserve asset, special deposit, cash ratio, liquidity or capital adequacy requirements or any other form of banking or monetary control).
- (b) In this Agreement "**increased cost**" means:
- (i) an additional cost incurred by a Finance Party or any of its holding companies as a result of such Finance Party performing, maintaining or funding its obligations under, this Agreement; or
 - (ii) that portion of an additional cost incurred by a Finance Party or any of its holding companies in such Finance Party making, funding or maintaining all or any advances comprised in a class of advances formed by or including the participations in Advances made or to be made by it under this Agreement as is attributable to it making, funding or maintaining its participations in Advances; or
 - (iii) a reduction in any amount payable to a Finance Party or the effective return to a Finance Party under this Agreement or on its capital (or the capital of any of its holding companies); or
 - (iv) the amount of any payment made by a Finance Party, or the amount of interest or other return foregone by a Finance Party, calculated by reference to any amount received or receivable by a Finance Party from any other Party under this Agreement.

12.2 Exceptions

Clause 12.1 (Increased costs) does not apply to any increased cost:

- (a) compensated for by the payment of the Mandatory Cost; or
 - (b) attributable to any tax or amounts in respect of tax which must be deducted from any amounts payable or paid by a Borrower or paid or payable by the Agent to a Finance Party under the Finance Documents; or
 - (c) which is, or is attributable to, any tax on the overall net income, profits or gains of a Lender or any of its holding companies (or the overall net income, profits or gains of a division or branch of the Lender or any of its holding companies).
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13. ILLEGALITY AND MITIGATION

13.1 Illegality

If it becomes unlawful in any jurisdiction for a Lender to give effect to any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Advance, then the Lender may notify the Parent through the Agent accordingly and following notice from the Agent to the Parent:

- (a) each Borrower shall repay the participations of that Lender in any Advances made to it together with all other amounts payable by it to that Lender under this Agreement on such date as the Agent may specify in such notice, such date not to be earlier than:
 - (i) the last day of the Term or Interest Period, as the case may be, for each Advance occurring after the date of such notice; or
 - (ii) if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law); and
- (b) the Lender's Commitment shall be immediately cancelled.

13.2 Mitigation

Notwithstanding the provisions of Clauses 10 (Taxes), 12 (Increased Costs) and 13.1 (Illegality), if in relation to a Lender or (as the case may be) the Agent circumstances arise which would result in:

- (a) any deduction, withholding or payment of the nature referred to in Clause 10 (Taxes); or
- (b) any increased cost of the nature referred to in Clause 12 (Increased Costs); or
- (c) a notification pursuant to Clause 13.1 (Illegality),

then, without in any way limiting, reducing or otherwise qualifying the rights of such Lender or the Agent, such Lender shall promptly upon becoming aware of the same notify the Agent thereof (whereupon the Agent shall promptly notify the Parent) and such Lender shall use reasonable endeavours to transfer its participation in each Facility and its rights hereunder and under the Finance Documents to another financial institution or Facility Office not affected by the circumstances having the results set out in (a), (b) or (c) above and shall otherwise take such reasonable steps as may be open to it to mitigate the effects of such circumstances *provided that* such Lender shall not be under any obligation to take any such action if, in its opinion, to do so would or would be likely to have an adverse effect upon its business, operations or financial condition or would involve it in any unlawful activity or any activity that is contrary to its policies or any request, guidance or directive of any competent authority (whether or not having the force of law) or (unless indemnified to its satisfaction) would involve it in any significant expense or tax disadvantage.

14. GUARANTEE

14.1 Guarantee

Each Guarantor jointly and severally irrevocably and unconditionally:

- (a) as principal obligor, guarantees to each Finance Party prompt performance by each Borrower of all its obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, each Guarantor shall forthwith on demand by the Agent pay that amount as if that Guarantor instead of the relevant Borrower were expressed to be the principal obligor; and
- (c) indemnifies each Finance Party on demand against any loss or liability suffered by it if any obligation guaranteed by any Guarantor is or becomes unenforceable, invalid or illegal.

14.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of all sums payable by the Borrowers under the Finance Documents, regardless of any intermediate payment or discharge in part.

14.3 Reinstatement

- (a) Where any discharge (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Guarantors under this Clause 14 shall continue as if the discharge or arrangement had not occurred (but only to the extent that such payment, security or other disposition is avoided or restored).
- (b) Each Finance Party may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

14.4 Waiver of defences

The obligations of the Guarantors under this Clause 14 will not be affected by any act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause 14 or prejudice or diminish those obligations in whole or in part, including (whether or not known to it or any Finance Party):

- (a) any time or waiver granted to, or composition with, any Borrower or other person;
 - (b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
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- (c) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of a Borrower or any other person;
 - (d) any variation (however fundamental) or replacement of a Finance Document or any other document or security so that references to that Finance Document in this Clause 14 shall include each variation or replacement;
 - (e) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security, to the intent that the Guarantors' obligations under this Clause 14 shall remain in full force and their guarantee be construed accordingly, as if there were no unenforceability, illegality or invalidity; and
 - (f) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any Borrower under a Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Guarantors' obligations under this Clause 14 shall be construed as if there were no such circumstance.

14.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this Clause 14.

14.6 Appropriations

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been (or if any amount held by a Finance Party pursuant to this Agreement was applied towards discharge of amounts payable by the Obligor under this Agreement, would be) irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of that Guarantor's liability under this Clause 14.

14.7 Non-competition

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been paid in full, no Guarantor shall, after a claim has been made or by virtue of any payment or performance by it under this Clause 14:

- (a) be subrogated to any rights, security or moneys held, received or receivable by any Finance Party (or any trustee or agent on its behalf) or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of that Guarantor's liability under this Clause 14;
or
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- (b) claim, rank, prove or vote as a creditor of any Borrower or its estate in competition with any Finance Party (or any trustee or agent on its behalf); or
- (c) receive, claim or have the benefit of any payment, distribution or security from or on account of any Borrower or exercise any right of set-off as against any Borrower.

Each Guarantor shall hold in trust for and forthwith pay or transfer to the Agent for the Finance Parties any payment or distribution or benefit of security received by it contrary to this Clause 14.7.

14.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other security now or hereafter held by any Finance Party.

14.9 Removal of Guarantors

Any Guarantor (other than the Parent or any other Borrower) may, at the request of the Parent and if no Default or Mandatory Prepayment Event is continuing, cease to be a Guarantor by entering into a supplemental agreement to this Agreement at the cost of the Parent in such form as the Agent may reasonably require which shall discharge that Guarantor's obligations as a Guarantor under this Agreement.

15. REPRESENTATIONS AND WARRANTIES

15.1 Representations and warranties

Each Obligor makes the representations and warranties set out in this Clause 15 (Representations and Warranties) to each Finance Party (but in the case of an Obligor other than the Parent only in respect of itself).

15.2 Status, Powers and authority

It is duly incorporated under the laws of the country in which it is incorporated and has power and is able lawfully to execute and deliver the Finance Documents to which it is a party and to exercise its rights and perform its obligations thereunder and all corporate or other action required to be taken by it in order to authorise the execution and delivery by it of the Finance Documents to which it is a party and the performance by it of its obligations thereunder has been duly taken.

15.3 Legal Validity

The Finance Documents to which it is a party constitute its legal, valid, binding and enforceable obligations.

15.4 Non-Conflict

The execution, delivery and performance by it of the Finance Documents to which it is a party will not:

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- (a) contravene any provision of any law, statute, decree, rule or regulation to which it or any of its assets or revenues is subject, or of any order, judgment, injunction, decree, resolution, determination or award of any court or any judicial, administrative or governmental authority or organisation having applicability to it or any of its assets or revenues; or
 - (b) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute default under, any indenture, mortgage, deed of trust, bond, agreement or other instrument or obligation to which it is a party or by which it or any of its assets or revenues may be bound or affected; or
 - (c) violate any provision of its Memorandum and Articles of Association or other constitutive documents.

15.5 No Default

- (a) No Event of Default has occurred and is continuing which has not been remedied.
- (b) No Default has occurred and is continuing which has not been remedied.

15.6 Authorisations

It has obtained (and there are in full force and effect) any governmental and other consents necessary to enable it to enter into and perform its obligations under each Finance Document.

15.7 Accounts

- (a) The most recently published audited consolidated financial statements of the Group give (in conjunction with the notes thereto) a true and fair view of the financial condition of the Group as at the date as of which the same were prepared.
- (b) The Original Group Accounts were prepared in accordance with accounting principles generally accepted in England and consistently applied and give (in conjunction with the notes thereto) a true and fair view of the consolidated financial condition of the Group as at the date as of which they were prepared and the consolidated results of the operations of the Group during the financial year then ended.
- (c) As at the date as of which the most recently published audited consolidated financial statements of the Group were prepared no member of the Group had any material liabilities which were not disclosed thereby (or by the notes thereto) or provided for therein and which should at that date have been so disclosed or provided for.
- (d) The financial information supplied by it or on behalf of it by any other member of the Group to the Lenders relating to any member of the Group in connection with this Agreement is true and accurate in all material respects.

15.8 Litigation

No action or proceeding of or before any court or administrative tribunal has been commenced, or (to its knowledge) is threatened:

- (a) to restrain or affect the execution or delivery by it of any of the Finance Documents to which it is a party or the performance and compliance by it of, and with, the obligations expressed to be assumed by it therein or the legality, validity or enforceability thereof; or
- (b) which would be reasonably expected to succeed and, if successful, to have a Material Adverse Effect.

15.9 Pari Passu

Its Indebtedness under the Finance Documents to which it is a party will rank at least *pari passu* with all its other unsecured and unsubordinated Indebtedness with the exception of that which is preferred by operation of law.

15.10 Encumbrances

Its execution of the Finance Documents and its exercise of its rights and performance of its obligations thereunder will not result in the existence of, nor oblige any member of the Restricted Group to create, any Encumbrance over all or any of its present or future revenues or assets.

15.11 Material Adverse Change

There has been no material adverse change in the business or financial condition of the Group when compared with the business or financial condition of the Group (as shown in the Original Group Accounts) taken as a whole which could reasonably be expected to have a Material Adverse Effect.

15.12 Information

- (a) The factual information in relation to the Group in the Information Memorandum was, to the best of the Parent's knowledge and belief, true and accurate in all material aspects as at the date of the Information Memorandum and any opinion expressed about the Group in the Information Memorandum was honestly held as at that date and provided in good faith and all such factual information was provided in good faith and after due enquiry as to its accuracy.
- (b) The Information Memorandum did not omit at its date any information which made misleading in any material respect any information in the Information Memorandum.

15.13 Times for making representations and warranties

The representations and warranties set out in this Clause 15:

- (a) are made on the Signing Date;
 - (b) (except for Clause 15.5(b) (No Default), Clause 15.7 (Accounts), Clause 15.8 (Litigation), Clause 15.11 (Material Adverse Change) and Clause 15.12 (Information)) in the case of an Obligor which becomes a Party after the date of this Agreement, will be deemed to be made by that Obligor on the date it executes a Borrower Accession Agreement or, as the case may be, a Guarantor Accession Agreement; and
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- (c) (except for Clause 15.5(b) (No Default), Clause 15.7(b) (Accounts), Clause 15.8 (Litigation), Clause 15.11 (Material Adverse Change) (other than in respect of the repetition of Clause 15.11 (Material Adverse Change) that, notwithstanding this exception, shall take place pursuant to paragraph (i) below on the date of any Request for a Term-out Advance) and Clause 15.12 (Information)) are deemed to be repeated by each Obligor on:
- (i) the date of each Request; and
 - (ii) the first day of each Term or Interest Period with reference to the facts and circumstances then existing.

16. UNDERTAKINGS

16.1 Duration

The undertakings in this Clause 16 (Undertakings) will remain in force from the Signing Date for so long as any amount is or may be outstanding under this Agreement or any Commitment is in force.

16.2 Financial Information

- (a) In the case of the Parent, it will as soon as the same become available, but in any event within 120 days after the end of each financial year, procure the delivery to each of the Lenders through the Agent of one copy (or such other number of copies as the Agent shall reasonably request) of the audited consolidated financial statements (including balance sheet and profit and loss account) of the Group together with the audited financial statements of the Parent for such financial year.
 - (b) In the case of the Parent, it will as soon as the same become available, but in any event within 60 days after the end of the first half of each financial year, procure the delivery to each of the Lenders through the Agent of one copy (or such other number of copies as the Agent shall reasonably request) of the published interim consolidated financial statements of the Group for such financial half-year.
 - (c) In the case of each other Obligor, it will as soon as the same become available, but in any event within 120 days after the end of each financial year, procure the delivery to each of the Lenders through the Agent of one copy (or such other number of copies as the Agent shall reasonably request) of its financial statements, audited if so prepared (including balance sheet and profit and loss account) for such financial year.
 - (d) It will ensure that each set of financial statements delivered by it pursuant to paragraphs (a) and (b) above, in the case of the Parent, and paragraph (c) above, in the case of each other Obligor, is prepared and audited in accordance with United Kingdom accounting principles generally accepted and consistently applied (save for changes in accounting principles disclosed in the relevant financial statements) except (in the case of an Obligor incorporated outside the United Kingdom) where the relevant Obligor is required to prepare its financial statements in accordance with accounting principles generally accepted in a jurisdiction other than the United Kingdom in which case its financial statements will be prepared and audited in accordance with the accounting principles of that jurisdiction generally accepted and consistently applied (save for changes in accounting principles disclosed in the relevant financial statements).
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- (e) The Parent will, as soon as the same become available, procure the delivery to each of the Lenders through the Agent of one copy (or such other number of copies as the Agent shall reasonably request) of the annual accounts and the interim accounts for the first half of each financial year of the Instinet Group.
- (f) In the case of the Parent, it will supply to the Lenders through the Agent one copy (or such other number of copies as the Agent shall reasonably request) (as and when the same are distributed to its shareholders) of all information and circulars from time to time distributed by Parent to its shareholders.
- (g) In the case of the Parent, together with the accounts specified in paragraphs (a) and (b) above, a certificate signed by two officers of the Parent in the form of Schedule 6:
 - (i) setting out in reasonable detail computations establishing compliance with Clause 17 (Financial Covenant) as at the date to which those accounts were drawn-up and identifying from which lines or notes in the accounts such computations were derived, together with any management adjustments made thereto; and
 - (ii) identifying the Material Subsidiaries on the basis of those accounts.

16.3 Notification of Default

Each Obligor shall, promptly upon becoming aware of the same, inform the Lenders through the Agent of the occurrence of any Default. Promptly upon receipt of a request to that effect from the Agent, the Parent shall confirm to the Lenders that, save as previously notified to the Lenders and so far as it is aware having made reasonable enquiry, no Default has occurred.

16.4 Negative Pledge/Subsidiaries

Each Obligor will not, and will procure that no member of the Restricted Group shall, create or permit to subsist any Encumbrance (other than Permitted Encumbrances) upon the whole or any part of its present or future revenues or assets.

16.5 Upstream Guarantees

- (a) The Parent shall procure that no member of the Restricted Group (other than a Guarantor) will give any guarantee or undertake any similar liability in respect of any Borrowings of any Borrower.
 - (b) The Parent shall not procure or agree that any member of the Group (other than a Guarantor) will give any guarantee or undertake any similar liability in respect of any Borrowings of any Borrower.
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17. FINANCIAL COVENANTS

17.1 Definitions

In this Clause 17:

"Back to Back Borrowings Principal"

means any instruments representing or consisting of Borrowings of a member of the Restricted Group which have been purchased by a person who is not a member of the Restricted Group (a "**Third Party**") from the proceeds of Borrowings ("**Back to Back Borrowings Deposit**") made available by a member of the Restricted Group to that Third Party and which continue to be held by that Third Party and which the Third Party is entitled to deliver to a member of the Restricted Group in satisfaction of the Back to Back Borrowings Deposit.

"Consolidated Cash and Cash Equivalents"

means, at any time:

- (a) cash in hand or at bank of any member of the Restricted Group, other than any Back to Back Loan Deposit or Back to Back Borrowings Deposit; and
- (b) bonds, notes, commercial paper and other equivalent liquid short term investments beneficially owned by any member of the Restricted Group, other than any Back to Back Loan Deposit or Back to Back Borrowings Deposit,

in each case, to the extent the same is:

- (i) permitted by the then current treasury policy of the Parent; and
- (ii) freely convertible and transferable to any member state of the European Union.

For the purposes of this definition, an item shall be treated as freely convertible and transferable if an amount may only be remitted following an exercise of a discretion by any central bank or other governmental authority, such amount shall be deemed to be freely convertible and transferable if that discretion has at all times, when exercised in relation to any member of the Restricted Group, been exercised in favour of such member of the Group in relation to such remittance.

"Consolidated Net Borrowings" means at any time Consolidated Total Borrowings less the sum of:

- (i) Consolidated Cash and Cash Equivalents;
 - (ii) Back to Back Loan Principal (as such term is defined in the definition of "Back to Back Loan" in Clause 1.1 (Definitions)); and
 - (iii) Back to Back Borrowings Principal.
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"Consolidated Net Finance Charges"

means the aggregate amount of the interest (including, without limitation, the interest element of finance leases and hire purchase payments but, for the avoidance of doubt, excluding any deemed interest on operating leases), commission and other finance charges payable by the Restricted Group in respect of a Measurement Period less the amount of interest receivable by the Restricted Group during that Measurement Period and after taking into account the net effect of any hedging transaction.

"Consolidated Profits before Interest, Tax and Amortisation"

means the consolidated operating profit of the Restricted Group for a Measurement Period as adjusted by adding back amortisation and, for the avoidance of doubt, operating profit is after adding back (to the extent deducted) restructuring charges required to be deducted from operating profit in accordance with FRS 3.

"Consolidated Total Borrowings"

means, in respect of the Restricted Group, at any time the aggregate of the following:

- (a) the outstanding principal amount of any money borrowed or raised and debit balances of banks;
- (b) the outstanding principal amount of any bond, note, loan stock debenture, or other similar instrument;
- (c) the outstanding principal amount of any acceptance under any acceptance credit or documentary credit;
- (d) the outstanding principal amount of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);
- (e) the capitalised element of indebtedness under a finance lease or hire purchase contract;
- (f) the outstanding principal amount of any indebtedness arising in connection with any other transaction (including without limitation any forward sale or purchase agreement) which has the commercial effect of a borrowing or raising of money or of any of paragraphs (b) to (e) (both inclusive) above; and
- (g) the outstanding principal amount of any indebtedness of any person of a type referred to in paragraphs (a) – (f) above which is the subject of a guarantee, given by a member of the Restricted Group.

"EBITDA"

means the consolidated operating profit of the Restricted Group for a Measurement Period as adjusted by adding back depreciation and amortisation and, for the avoidance of doubt, operating profit is after the deduction of restructuring charges required to be deducted from operating profit in accordance with FRS 3.

"Measurement Period"

means a period of 12 months ending on the last day of a financial year or half-year of the Restricted Group.

17.2 Interpretation

- (a) The definitions in Clause 17.1 above and any calculations made for the purposes of the financial covenants in this Clause 17 shall be construed or, as the case may be, made in accordance with generally accepted accounting principles (the "**Original Accounting Principles**") in the UK in force and as applied in the most recently published accounts of the Parent as at the Signing Date. If there is any change to those accounting principles after the Signing Date the financial statements referred to in paragraphs (a) and (b) of Clause 16.2 (Financial Information) shall be accompanied by a reconciliation of the differences between the Original Accounting Principles and the accounting principles applied in the preparation of those financial statements in sufficient detail to calculate those definitions as though there had been no such change.
- (b) No item must be credited or deducted more than once in any calculation under this Clause.

17.3 Financial Covenants

The Parent shall ensure that:

- (a) the ratio of Consolidated Profits before Interest, Tax and Amortisation in respect of a Measurement Period to Consolidated Net Finance Charges for that Measurement Period shall exceed 2.75:1; and
- (b) the ratio of Consolidated Net Borrowings as at the end of a Measurement Period to EBITDA for that Measurement Period shall not exceed 3.50:1.

18. DEFAULT

18.1 Events of Default

Each of the events set out in Clauses 18.2 (Non-Payment) to 18.11 (Execution or distress) (inclusive) is an Event of Default (whether or not caused by any reason whatsoever outside the control of any Obligor or any other person).

18.2 Non-payment

An Obligor fails to pay in the currency or in the manner specified therein any sum due from it under any Finance Document within three Business Days, in the case of any principal sum, or within five Business Days, in the case of any other sum, of the due date therefor.

18.3 Breach of other obligations

An Obligor fails to perform or observe any other obligation binding on it under any of the Finance Documents and such default is (if capable of remedy) not remedied within thirty days after the Agent has given notice to that Obligor requiring remedy.

18.4 Misrepresentation

Any representation or statement made or deemed to be made by any Obligor herein or pursuant hereto is or proves to be incorrect or misleading in any material respect when made or deemed to be made and, if capable of remedy, is not remedied within 30 days after the Agent has given notice to that Obligor requiring remedy.

18.5 Insolvency

Any order(s) is or are made or effective resolution(s) is or are passed for the liquidation, administration, winding-up or dissolution of any Obligor or any Material Subsidiary or for the reorganisation of any Obligor or any Material Subsidiary except, in the case of any Material Subsidiary, for:

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- (a) the purpose of and followed by an amalgamation and reconstruction the terms of which have first been approved by the Majority Lenders in writing such approval not to be unreasonably withheld or delayed; or
 - (b) a voluntary solvent liquidation, winding-up, dissolution or reorganisation in connection with the transfer of the business, undertaking and assets of such Material Subsidiary to another member of the Group; or
 - (c) where such liquidation, administration, winding-up, dissolution or reorganisation could not reasonably be expected to have a Material Adverse Effect.

18.6 Insolvency Proceedings

Any Obligor or any Material Subsidiary takes any corporate action or other steps are taken or legal proceedings are started for the appointment of a receiver, administrative receiver, trustee or similar officer (other than an administrator) of it or of any or all of its revenues and assets (or any order(s) is or are made or effective resolution(s) is or are passed for the appointment of an administrator of it) which, in the case of any Material Subsidiary, could reasonably be expected to have a Material Adverse Effect.

18.7 Creditors Process

Any Obligor or any Material Subsidiary is unable or admits in writing its inability to pay its debts as they fall due or commences negotiations with a view to, or takes any proceedings under any law for, a readjustment, rescheduling or deferment of all or any of its obligations (or proposes, makes or enters into a general assignment, arrangement or composition with or for the benefit of its creditors) which, in the case of any Material Subsidiary, could reasonably be expected to have a Material Adverse Effect.

18.8 Cross Default

Any other Borrowings of any Obligor or any Material Subsidiary:

- (a) are not paid when due nor within any applicable grace period in any agreement or instrument relating to those Borrowings; or
- (b) becomes due and payable before its normal or agreed maturity through the occurrence of an event of default (howsoever described),

and such other Borrowings, when aggregated with any other Borrowings of any Obligor or Material Subsidiary which falls within the terms of paragraph (a) or (b) above, is in excess of £20,000,000 (or its equivalent in other currencies) except that this Clause 18.8 does not apply during the period of 180 days beginning on the date any company becomes a member of the Group to any Borrowings of that company outstanding as at the date it becomes a member of the Group which, but for this proviso, would have caused an Event of Default under this Clause 18.8 at that date.

18.9 Suspension of Business

Save as previously approved in writing by the Majority Lenders or as set out in the Information Memorandum,

- (a) the Parent shall suspend or threaten to suspend all or a substantial part of the Restricted Group's operations or ceases, or threatens to cease, to carry on the business of the Restricted Group; or
- (b) any other Obligor or any Material Subsidiary shall suspend or threaten to suspend all or a substantial part of its operations or ceases, or threatens to cease, to carry on its business which, in the case of any such Material Subsidiary could reasonably be expected to have a Material Adverse Effect and except, in the case of any such Material Subsidiary, for the purpose of and followed by an amalgamation, the terms of which have first been approved by the Majority Lenders in writing or in connection with the transfer of the business, undertaking and assets of such Material Subsidiary to another member of the Group.

18.10 Invalidity of any Finance Document

Any Finance Document shall at any time for any reason cease to be in full force and effect, other than:

- (a) in accordance with its terms; or
- (b) by agreement with the Lenders; or
- (c) in respect of a Guarantor (other than the Parent) for a reason set out in Clause 7.4(b) (Mandatory Prepayment Events) but only for as long as the Agent is prohibited under Clause 7.4(b) (Mandatory Prepayment Events) from giving notice to the Parent pursuant to Clause 7.4(a) (Mandatory Prepayment Events).

18.11 Execution or distress

Any execution or distress is levied against, or an encumbrancer takes possession of the whole or any part of, the property, undertaking or assets of any Obligor or any Material Subsidiary and it is not satisfied, removed or discharged within seven days and which, in the case of any Material Subsidiary could reasonably be expected to have a Material Adverse Effect.

18.12 Acceleration

On and at any time after the occurrence of an Event of Default while such event is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Parent, declare that an Event of Default has occurred and:

- (a) cancel the Total Commitments; and/or
 - (b) demand that all the Advances, together with accrued interest, and all other amounts accrued under this Agreement be immediately due and payable, whereupon they shall become immediately due and payable; and/or
 - (c) demand that all the Advances be payable on demand, whereupon they shall immediately become payable on demand.
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18.13 Notice

The Agent will, if practicable to do so, notify the Parent prior to issuing a notice under Clause 18.12 (Acceleration) in respect of a default by any Obligor other than the Parent provided that the Agent shall not be liable to any Obligor if it fails to give such notice and provided that any failure by the Agent to give such notice shall not prejudice, in any way, the rights of each Finance Party under the Finance Documents including, without limitation, the Agent's right to deliver a notice under Clause 18.12 (Acceleration).

19. THE AGENT AND THE MANDATED LEAD ARRANGERS**19.1 Appointment and duties of the Agent**

Each Finance Party (other than the Agent) irrevocably appoints the Agent to act as its agent under and in connection with the Finance Documents, and irrevocably authorises the Agent on its behalf to perform the duties and to exercise the rights, powers and discretions that are specifically delegated to it under or in connection with the Finance Documents, together with any other incidental rights, powers and discretions. The Agent shall have only those duties which are expressly specified in this Agreement. Those duties are solely of a mechanical and administrative nature.

19.2 Role of the Mandated Lead Arrangers

Except as otherwise provided in this Agreement, no Mandated Lead Arranger has any obligations of any kind to any other Party under or in connection with any Finance Document.

19.3 Relationship

The relationship between the Agent and the other Finance Parties is that of agent and principal only. Nothing in this Agreement constitutes the Agent as trustee or fiduciary for any other Party or any other person and the Agent need not hold in trust any moneys paid to it for a Party or be liable to account for interest on those moneys.

19.4 Majority Lenders' directions

The Agent will be fully protected if it acts in accordance with the instructions of the Majority Lenders in connection with the exercise of any right, power or discretion or any matter not expressly provided for in the Finance Documents. Any such instructions given by the Majority Lenders will be binding on all the Lenders. In the absence of such instructions the Agent may act as it considers to be in the best interests of all the Lenders.

19.5 Delegation

The Agent may act under the Finance Documents through its personnel and agents.

19.6 Responsibility for documentation

- (a) Neither the Agent nor either Mandated Lead Arranger is responsible to any other Party for: the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document; or
 - (b) the collectability of amounts payable under any Finance Document; or
 - (c) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document.
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19.7 Default

- (a) The Agent is not obliged to monitor or enquire as to whether or not a Default or a Mandatory Prepayment Event has occurred. The Agent will not be deemed to have knowledge of the occurrence of a Default or a Mandatory Prepayment Event. However, if the Agent receives notice from a Party referring to this Agreement, describing the Default or Mandatory Prepayment Event and stating that the event is a Default or a Mandatory Prepayment Event, it shall promptly notify the Lenders.
- (b) The Agent may require the receipt of security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it will or may incur in taking any proceedings or action arising out of or in connection with any Finance Document before it commences these proceedings or takes that action.

19.8 Exoneration

- (a) Without limiting paragraph (b) below, the Agent will not be liable to any other Party for any action taken or not taken by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct.
- (b) No Party may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind (including negligence or wilful misconduct) by that officer, employee or agent in relation to any Finance Document.

19.9 Reliance

The Agent may:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by a director or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
- (c) engage, pay for and rely on legal or other professional advisers selected by it (including those in the Agent's employment and those representing a Party other than the Agent).

19.10 Credit approval and appraisal

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms that it:

- (a) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Agent or a Mandated Lead Arranger in connection with any Finance Document; and
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- (b) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

19.11 Information

- (a) The Agent shall promptly forward to the person concerned the original or a copy of any document which is delivered to the Agent by a Party for that person.
- (b) The Agent shall promptly supply a Lender with a copy of each document received by the Agent under Clauses 4 (Conditions Precedent), 26.4 (Additional Borrowers) or 26.5 (Additional Guarantors) upon the request and at the expense of that Lender.
- (c) Except where this Agreement specifically provides otherwise, the Agent is not obliged to review or check the accuracy or completeness of any document it forwards to another Party.
- (d) Except as provided above, the Agent has no duty:
 - (i) either initially or on a continuing basis to provide any Lender with any credit or other information concerning the financial condition or affairs of any Obligor or any related entity of any Obligor whether coming into its possession or that of any of its related entities before, on or after the date of this Agreement; or
 - (ii) unless specifically requested to do so by a Lender in accordance with this Agreement, to request any certificates or other documents from any Obligor.

19.12 The Agent and the Mandated Lead Arrangers individually

- (a) If it is also a Lender, each of the Agent and each Mandated Lead Arranger has the same rights and powers under this Agreement as any other Lender and may exercise those rights and powers as though it were not the Agent or a Mandated Lead Arranger.
- (b) Each of the Agent and each Mandated Lead Arranger may:
 - (i) carry on any business with an Obligor or its related entities;
 - (ii) act as agent or trustee for, or in relation to any financing involving, an Obligor or its related entities; and
 - (iii) retain any profits or remuneration in connection with its activities under this Agreement or in relation to any of the foregoing.

19.13 Indemnities

- (a) Without limiting the liability of any Obligor under the Finance Documents, each Lender shall forthwith on demand indemnify the Agent for its proportion of any liability or loss incurred by the Agent in any way relating to or arising out of its acting as the Agent, except to the extent that the liability or loss arises directly from the Agent's negligence or wilful misconduct.
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- (b) A Lender's proportion of the liability or loss set out in paragraph (a) above is the proportion which the Original Sterling Amount of its participation(s) in Advance(s) bears to the Original Sterling Amount of all Advances outstanding on the date of the demand. If, however, no Advances are outstanding on the date of demand, then the proportion will be the proportion which its Commitment bears to the Total Commitments at the date of demand or, if the Total Commitments have been cancelled, bore to the Total Commitments immediately before being cancelled.
 - (c) The Parent shall forthwith on demand reimburse each Lender for any payment made by it under paragraph (a) above.

19.14 Compliance

- (a) The Agent may refrain from doing anything which might, in its opinion, constitute a breach of any law or regulation or be otherwise actionable at the suit of any person, and may do anything which, in its opinion, is necessary or desirable to comply with any law or regulation of any jurisdiction.
- (b) Without limiting paragraph (a) above, the Agent need not disclose any information relating to any Obligor or any of its related entities if the disclosure might, in the opinion of the Agent, constitute a breach of any law or regulation or any duty of secrecy or confidentiality or be otherwise actionable at the suit of any person.

19.15 Resignation of Agent

- (a) Notwithstanding its irrevocable appointment, the Agent may resign by giving notice to the Lenders and the Parent, in which case the Agent may forthwith appoint one of its Affiliates as successor Agent or, failing that, the Majority Lenders may, with the prior consent of the Parent (not to be unreasonable withheld or delayed) with the Parent, appoint a successor Agent.
 - (b) If the appointment of a successor Agent is to be made by the Majority Lenders but they have not, within 30 days after notice of resignation, appointed a successor Agent which accepts the appointment, the retiring Agent may, with the prior consent of the Parent (not to be unreasonable withheld or delayed) with the Parent, appoint a successor Agent.
 - (c) The resignation of the retiring Agent and the appointment of any successor Agent will both become effective only upon the successor Agent notifying all the Parties that it accepts the appointment and provided the successor Agent has, if required under paragraph (a) above, been approved by the Parent. On giving the notification and receiving such approval, the successor Agent will succeed to the position of the retiring Agent and the term "**Agent**" will mean the successor Agent.
 - (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as the Agent under this Agreement.
 - (e) Upon its resignation becoming effective, this Clause 19 shall continue to benefit the retiring Agent in respect of any action taken or not taken by it under or in connection with the Finance Documents while it was the Agent, and, subject to paragraph (d) above, it shall have no further obligation under any Finance Document.
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19.16 Lenders

The Agent may treat each Lender as a Lender, entitled to payments under this Agreement and as acting through its Facility Office(s) until it has received notice from the Lender to the contrary by not less than five Business Days prior to the relevant payment.

19.17 Chinese Wall

In acting as Agent or a Mandated Lead Arranger, the agency and syndications division of each of the Agent and each Mandated Lead Arranger shall be treated as a separate entity from its other divisions and departments. Any information acquired at any time by the Agent or a Mandated Lead Arranger otherwise than in the capacity of Agent or Mandated Lead Arranger through its agency and syndications division (whether as financial advisor to any member of the Group or otherwise) may be treated as confidential by the Agent or that Mandated Lead Arranger and shall not be deemed to be information possessed by the Agent or Mandated Lead Arranger in its capacity as such. Each Finance Party acknowledges that the Agent and the Mandated Lead Arrangers may, now or in the future, be in possession of, or provided with, information relating to the Obligors which has not or will not be provided to the other Finance Parties. Each Finance Party agrees that, except as expressly provided in this Agreement, neither the Agent nor either Mandated Lead Arranger will be under any obligation to provide, or under any liability for failure to provide, any such information.

20. FEES

20.1 Commitment fee

(a) The Parent shall pay to the Agent for distribution to each Lender pro rata to the proportion its:

- (i) Tranche A Commitment bears to the Tranche A Total Commitments; and
- (ii) Tranche B Commitment bears to the Tranche B Total Commitments,

from time to time a commitment fee at the percentage rate per annum specified in Clause 8.7 (Margin and commitment fee) in relation to the Tranche concerned, on any undrawn, uncanceled amount of the Tranche A Total Commitments and/or Tranche B Total Commitments on each day.

(b) The commitment fee is calculated and accrues on a daily basis from the Signing Date and is payable quarterly in arrear with the first payment due three months after the Signing Date. Accrued commitment fee is also payable to the Agent for the relevant Lender(s) on the cancelled amount of its Tranche A Commitment and/or Tranche B Commitment, as the case may be, at the time the cancellation takes effect.

20.2 Agent's fee

The Parent shall pay to the Agent for its own account an agency fee in the amounts and on the dates agreed in the relevant Fee Letter.

20.3 Front-end fees

The Parent shall pay to the Agent for the Mandated Lead Arrangers front-end fees in the amounts and at the times agreed in the relevant Fee Letter.

20.4 Utilisation Fee

- (a) The Parent shall pay to the Agent for distribution to each Lender pro rata to the proportion its outstanding participations in Advances bears to the aggregate outstanding amount of Advances on each day a utilisation fee at the rate of:
- (i) Rate 1 on the aggregate outstanding amount of Advances on that day, provided that the fee will only accrue on any day on which the aggregate outstanding amount of Advances on such day exceeds $33\frac{1}{3}$ per cent., but is less than or equal to $66\frac{2}{3}$ per cent., of the Total Commitments as at that day; or
 - (ii) Rate 2 on the aggregate outstanding amount of Advances on that day, provided that the fee will only accrue on any day on which the aggregate outstanding amount of Advances on such day exceeds $66\frac{2}{3}$ per cent. of the Total Commitments as at that day.
- (b) For the purposes of paragraph (a) above, Rate 1 means 0.05 per cent. per annum and Rate 2 means 0.10 per cent. per annum, unless on any day the long term credit rating (as defined in Clause 8.7 (Margin and commitment fee)) assigned to the Parent is BBB+ or below (with S&P) or Baa1 or below (with Moody's) or there is no long term credit rating assigned by either S&P or Moody's to the Parent, in which case Rate 1 means 0.075 per cent. per annum and Rate 2 means 0.15 per cent. per annum. (c) Utilisation fee is calculated and accrues on a daily basis and is payable quarterly in arrear with the first such payment due three months after the Signing Date. Accrued utilisation fee is also payable to the Agent for the relevant Lenders on the Final Maturity Date.

20.5 Term-out Fee

On the Utilisation Date of the Term-out Advance (if any), the Borrower of that Advance shall pay to the Agent (for distribution to each Lender participating in that Advance pro rata to its participation in that Advance) a term-out fee equal to 0.10 per cent. flat on the amount of that Advance.

20.6 Extension Fee

The Parent shall pay to the Agent (for the account of each Lender which agrees to extend its Tranche A Term Date pro rata to its proportion of the Tranche A Commitments which are simultaneously extended) an extension fee in such amount and at such time as is then agreed.

20.7 VAT

Any fee referred to in this Clause 20 is exclusive of any United Kingdom value added tax. If any value added tax is so chargeable, it shall be paid by the Parent, on production of a valid VAT invoice, at the same time as it pays the relevant fee (or at the time of production of the VAT invoice, if later).

21. EXPENSES

21.1 Initial and special costs

The Parent shall forthwith on demand pay the Agent and the Mandated Lead Arrangers the amount of all out-of-pocket costs and expenses (including legal fees) reasonably incurred by any of them in connection with:

- (a) the arranging, underwriting and primary syndication of the Facilities;
- (b) the negotiation, preparation, printing and execution of:
 - (i) this Agreement and any other documents referred to in this Agreement; and
 - (ii) any other Finance Document (other than a Novation Certificate) executed after the date of this Agreement;
- (c) any amendment, waiver, consent or suspension of rights (or any proposal for any of the foregoing) requested by or on behalf of an Obligor and relating to a Finance Document or a document referred to in any Finance Document; and
- (d) any other matter, not of an ordinary administrative nature, arising out of or in connection with a Finance Document.

21.2 Enforcement costs

The Parent shall forthwith on demand pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by it:

- (a) in connection with the enforcement of, or the preservation of any rights under, any Finance Document; or
- (b) in investigating any possible Default or Mandatory Prepayment Event.

22. STAMP DUTIES

The Parent shall pay and forthwith on demand indemnify each Finance Party against any liability it incurs in respect of any stamp, registration and similar tax which is or becomes payable in connection with the entry into, performance or enforcement of any Finance Document other than a Novation Certificate.

23. INDEMNITIES

23.1 Currency indemnity

- (a) If a Finance Party receives an amount in respect of an Obligor's liability under the Finance Documents or if that liability is converted into a claim, proof, judgment or order in a currency other than the currency (the "**contractual currency**") in which the amount is expressed to be payable under the relevant Finance Document:
 - (i) that Obligor shall indemnify that Finance Party as an independent obligation against any loss or liability arising out of or as a result of the conversion;
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- (ii) if the amount received by that Finance Party, when converted into the contractual currency at a market rate in the usual course of its business, is less than the amount owed in the contractual currency, the Obligor concerned shall forthwith on demand pay to that Finance Party an amount in the contractual currency equal to the deficit; and
 - (iii) the Obligor shall pay to the Finance Party concerned on demand any exchange costs and taxes payable in connection with any such conversion.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

23.2 Other indemnities

The Parent shall forthwith on demand indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:

- (a) the occurrence of any Event of Default or Mandatory Prepayment Event;
- (b) the operation of Clauses 18.12 (Acceleration), 7.4 (Mandatory Prepayment Events) or Clause 29 (Pro Rata Sharing);
- (c) any payment of principal or an overdue amount being received from any source otherwise than, in the case of Advances (except a Term-out Advance), on its Maturity Date (and, for the purposes of this paragraph (c), the Maturity Date of an overdue amount is the last day of each Designated Term (as defined in Clause 8.5 (Default interest))) and, in the case of a Term-Out Advance, on applicable Interest Dates;
- (d) the occurrence of a change described in, and the operation of Clause 11.4 (Change in circumstances) in relation to, an Optional Currency; or
- (e) (other than by reason of negligence or default by a Finance Party) an Advance not being disbursed after a Borrower has delivered a Request for that Advance.

The Parent's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under any Finance Document, any amount repaid or prepaid or any Advance.

24. EVIDENCE AND CALCULATIONS

24.1 Accounts

Accounts maintained by a Finance Party in connection with this Agreement are *prima facie* evidence of the matters to which they relate.

24.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

24.3 Calculations

Interest (and any Mandatory Cost) and the fees payable under Clause 20.1 (Commitment fee) and Clause 20.4 (Utilisation fee) accrue from day to day and are calculated on the basis of the actual number of days elapsed and a year of 365 days, or, in the case of interest payable on an amount denominated in a currency other than Sterling (including any applicable Mandatory Cost), 360 days.

25. AMENDMENTS AND WAIVERS

25.1 Procedure

- (a) Subject to Clause 25.2 (Exceptions), any provision of the Finance Documents may be amended or waived with the agreement of the Parent, the Majority Lenders and the Agent. The Agent may effect, on behalf of the Majority Lenders, an amendment or waiver to which they have agreed.
- (b) The Agent shall promptly notify the other Parties of any amendment or waiver effected under paragraph (a) above, and any such amendment or waiver shall be binding on all the Parties.

25.2 Exceptions

An amendment or waiver which relates to:

- (a) the definition of "Majority Lenders" in Clause 1.1 (Definitions); or
- (b) an extension of the date for, or a decrease in an amount or a change in the currency of, any payment under the Finance Documents; or
- (c) an increase in a Lender's Commitment; or
- (d) a change in the guarantee under Clause 14 (Guarantee) otherwise than in accordance with Clause 26.5 (Additional Guarantors) or Clause 14.9 (Removal of Guarantors); or
- (e) the incorporation of Additional Borrowers otherwise than in accordance with Clause 26.4 (Additional Borrowers); or
- (f) a term of a Finance Document which expressly requires the consent of each Lender; or
- (g) Clause 29 (Pro Rata Sharing) or this Clause 25 (Amendments and Waivers),

may not be effected without the consent of each Lender.

25.3 Waivers and remedies cumulative

The rights of each Finance Party under the Finance Documents:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

26. CHANGES TO THE PARTIES

26.1 Transfers by Obligors

No Obligor may assign, transfer, novate or dispose of any of, or any interest in, its rights and/or obligations under this Agreement.

26.2 Transfers by Lenders

(a) Subject to paragraph (b) below, a Lender (the "**Existing Lender**") may at any time assign, transfer or novate any of its rights and/or obligations under this Agreement to another bank or financial institution (the "**New Lender**") with the prior consent of the Parent unless:

- (i) the New Lender is another Lender or an Affiliate of a Lender; or
- (ii) a Default is outstanding,

in which case no such consent is required. The prior written consent of the Parent must not be unreasonably withheld or delayed and will be deemed to be given if, within 14 days of receipt by the Parent of an application for consent, it has not been expressly refused.

(b) In the case of a partial assignment, transfer or novation of rights and/or obligations under paragraph (a) above, a minimum amount of £5,000,000 (unless to an Affiliate or to a Lender or the Agent agrees otherwise) must be assigned, transferred or novated.

(c) A transfer of obligations will be effective only if either:

- (i) the obligations are novated in accordance with Clause 26.3 (Procedure for novations); or
- (ii) the New Lender confirms to the Agent and the Parent that it undertakes to be bound by the terms of this Agreement as a Lender in form and substance satisfactory to the Agent and the Parent. On the transfer becoming effective in this manner the Existing Lender shall be relieved of its obligations under this Agreement to the extent that they are transferred to the New Lender.

(d) Nothing in this Agreement restricts the ability of a Lender to sub-contract an obligation if that Lender remains liable under this Agreement for that obligation.

(e) On each occasion an Existing Lender assigns, transfers or novates any of its rights and/or obligations under this Agreement (other than to an Affiliate), the New Lender shall, on the date the assignment, transfer and/or novation takes effect, pay to the Agent for its own account a fee of £1,000.

(f) An Existing Lender is not responsible to a New Lender for:

- (i) the execution, genuineness, validity, enforceability or sufficiency of any Finance Document or any other document; or
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- (ii) the collectability of amounts payable under any Finance Document; or
 - (iii) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document.
- (g) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
- (i) has made its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities while any amount is or may be outstanding under this Agreement or any Commitment is in force.
- (h) Nothing in any Finance Document obliges an Existing Lender to:
- (i) accept a re-transfer from a New Lender of any of the rights and/or obligations assigned, transferred or novated under this Clause; or
 - (ii) support any losses incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under this Agreement or otherwise.
- (i) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement and its Commitment has been cancelled or reduced to nil.

26.3 Procedure for novations

- (a) A novation is effected if:
- (i) the Existing Lender and the New Lender deliver to the Agent a duly completed certificate (a "**Novation Certificate**"), substantially in the form of Part I of Schedule 5 or such other form as the Agent may require or approve (which may be delivered by fax and confirmed by delivery of a hard copy original but the fax will be effective irrespective of whether confirmation is received); and
 - (ii) the Agent executes it.
- (b) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Agent to execute any duly completed Novation Certificate on its behalf.
- (c) To the extent that they are expressed to be the subject of the novation in the Novation Certificate:
- (i) the Existing Lender and the other Parties (the "**existing Parties**") will be released from their obligations to each other (the "**discharged obligations**");
 - (ii) the New Lender and the existing Parties will assume obligations towards each other which differ from the discharged obligations only insofar as they are owed to or assumed by the New Lender instead of the Existing Lender;
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- (iii) the rights of the Existing Lender against the existing Parties and vice versa (the "**discharged rights**") will be cancelled; and
 - (iv) the New Lender and the existing Parties will acquire rights against each other which differ from the discharged rights only insofar as they are exercisable by or against the New Lender instead of the Existing Lender,

all on the date of execution of the Novation Certificate by the Agent or, if later, the date specified in the Novation Certificate.

26.4 Additional Borrowers

- (a) If the Parent wishes one of its wholly-owned Subsidiaries which is a member of the Restricted Group to become an Additional Borrower, then it may (if all the Lenders have approved the identity of the Additional Borrower in writing or the proposed Additional Borrower is incorporated in England and Wales) deliver to the Agent the documents listed in Part II of Schedule 2 in each case in form and substance satisfactory to the Agent.
- (b) On delivery of a Borrower Accession Agreement, executed by the relevant Subsidiary and the Parent, the Subsidiary concerned will become an Additional Borrower. However, it may not submit a Request until the Agent confirms to the other Finance Parties and the Parent that it has received all the documents referred to in paragraph (a) above in form and substance satisfactory to it.
- (c) Delivery of a Borrower Accession Agreement, executed by the relevant Subsidiary and the Parent, constitutes confirmation by that Subsidiary and the Parent that the representations and warranties set out in Clause 15.13(b) (Times for making representations and warranties) to be made by them on the date of the Borrower Accession Agreement are correct, as if made by them with reference to the facts and circumstances then existing.

26.5 Additional Guarantors

- (a) (i) Subject to paragraph (b) below, a Subsidiary of the Parent may become an Additional Guarantor by delivering to the Agent a Guarantor Accession Agreement, duly executed by that company.
 - (ii) Upon execution and delivery of a Guarantor Accession Agreement, the relevant company will become an Additional Guarantor even if the Guarantor Accession Agreement is amended or the liability of the proposed Additional Guarantor is limited or qualified provided the Agent is satisfied (acting on the advice of the legal advisers giving the opinion referred to in sub-paragraph (iii) below) that the limit or qualification arises by reason of a legal limitation on the ability of that Additional Guarantor to enter into, or its directors' ability to authorise the giving of, that guarantee.
 - (iii) The Parent shall procure that, at the same time as a Guarantor Accession Agreement is delivered to the Agent, there is also delivered to the Agent all those other documents listed in Part III of Schedule 2, in each case in form and substance satisfactory to the Agent.
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- (b) The execution of a Guarantor Accession Agreement constitutes confirmation by the Additional Guarantor concerned that the representations and warranties set out in Clause 15.13(b) (Times for making representations and warranties) to be made by it on the date of the Guarantor Accession Agreement are correct, as if made with reference to the facts and circumstances then existing.

26.6 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Parent) appoint another Lender or an Affiliate of a Lender which is not a Reference Bank to replace that Reference Bank.

26.7 Register

The Agent shall keep a register of all the Parties (including in the case of Lenders the details of their Facility Office notified to the Agent from time to time) and shall supply any other Party (at that Party's expense) with a copy of the register on request.

27. DISCLOSURE OF INFORMATION

A Lender may disclose to one of its Affiliates or any person with whom it is proposing to enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement:

- (a) a copy of any Finance Document; and
- (b) any information which that Lender has acquired under or in connection with any Finance Document,

provided that a Lender shall not disclose any such information to a person other than one of its Affiliates unless that person has provided to that Lender a confidentiality undertaking addressed to that Lender and the Parent substantially in the form of Schedule 7 or such other form as the Parent may approve.

28. SET-OFF

After a Default which is continuing, a Finance Party may set off any matured obligation owed by an Obligor under this Agreement (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Finance Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

29. PRO RATA SHARING

29.1 Redistribution

If any amount owing by an Obligor under this Agreement to a Finance Party (the "**recovering Finance Party**") is discharged by payment, set-off or any other manner other than through the Agent in accordance with Clause 9 (Payments) (a "**recovery**"), then:

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- (a) the recovering Finance Party shall, within three Business Days, notify details of the recovery to the Agent;
 - (b) the Agent shall determine whether the recovery is in excess of the amount which the recovering Finance Party would have received had the recovery been received by the Agent and distributed in accordance with Clause 9 (Payments);
 - (c) subject to Clause 29.3 (Exception), the recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**redistribution**") equal to the excess;
 - (d) the Agent shall treat the redistribution as if it were a payment by the Obligor concerned under Clause 9 (Payments) and shall pay the redistribution to the Finance Parties (other than the recovering Finance Party) in accordance with Clause 9.7 (Partial payments); and
 - (e) after payment of the full redistribution, the recovering Finance Party will be subrogated to the portion of the claims paid under paragraph (d) above and that Obligor will owe the recovering Finance Party a debt which is equal to the redistribution, immediately payable and of the type originally discharged.

29.2 Reversal of redistribution

If under Clause 29.1 (Redistribution):

- (a) a recovering Finance Party must subsequently return a recovery, or an amount measured by reference to a recovery, to an Obligor; and
- (b) the recovering Finance Party has paid a redistribution in relation to that recovery,

each Finance Party shall, within three Business Days of demand by the recovering Finance Party through the Agent, reimburse the recovering Finance Party all or the appropriate portion of the redistribution paid to that Finance Party. Thereupon the subrogation in Clause 29.1(e) (Redistribution) will operate in reverse to the extent of the reimbursement.

29.3 Exception

A recovering Finance Party need not pay a redistribution to the extent that it would not, after the payment, have a valid claim against the Obligor concerned in the amount of the redistribution pursuant to Clause 29.1(e) (Redistribution).

30. SEVERABILITY

If a provision of any Finance Document is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of the Finance Documents; or
 - (b) the legality, validity or enforceability in other jurisdictions of that or any other provision of the Finance Documents.
-

31. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

32. NOTICES

32.1 Giving of notices

All notices or other communications under or in connection with this Agreement shall be given in writing by post, or facsimile or any electronic communication approved by the Agent. Any such notice will be deemed to be given as follows:

- (a) if delivered in person or posted, when delivered;
- (b) if by facsimile, when received; and
- (c) if by email or any other electronic communication when received.

However, a notice given in accordance with the above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place. Facsimile Requests are to be confirmed by the relevant Borrower in writing (but may be relied upon by the Agent and the Lenders irrespective of receipt of such confirmation).

32.2 Addresses for notices

- (a) The address and facsimile number of each Party (other than the Agent and the Parent) for all notices under or in connection with this Agreement are:
 - (i) that notified by that Party for this purpose to the Agent on or before it becomes a Party; or
 - (ii) any other notified by that Party for this purpose to the Agent by not less than five Business Days' notice.
- (b) The address and facsimile numbers of the Agent are:

HSBC Bank plc
Level 17
8 Canada Square
London
E14 5HQ

Attention: Debt Finance, Support & Agency Services

Facsimile: +44 20 7991 4348

or such other as the Agent may notify to the other Parties by not less than five Business Days' notice.

- (c) The address and facsimile number of the Parent are:

Reuters Group PLC
85 Fleet Street
London
EC4P 4AJ

Attention: Group Treasurer

Facsimile: +44 20 7542 5404

or such other as the Parent may notify to the other Parties by not less than five Business Days' notice.

- (d) The Agent shall, promptly upon request from any Party, give to that Party the address, telex number or facsimile number of any other Party applicable at the time for the purposes of this Clause.

33. LANGUAGE

- (a) Any notice given under or in connection with any Finance Document shall be in English.
- (b) All other documents provided under or in connection with any Finance Document shall be:
- (i) in English; or
 - (ii) if not in English, accompanied by a certified English translation and, in this case, the English translation shall prevail unless the document is a statutory or other official document.

34. JURISDICTION

34.1 Submission

For the benefit of each Finance Party, each Obligor agrees that the courts of England have jurisdiction to settle any disputes in connection with any Finance Document and accordingly submits to the jurisdiction of the English courts.

34.2 Service of process

Without prejudice to any other mode of service, each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints the Parent as its agent for service of process relating to any proceedings before the English courts in connection with any Finance Document;
 - (b) agrees that failure by a process agent to notify the Obligor of the process will not invalidate the proceedings concerned; and
 - (c) consents to the service of process relating to any such proceedings by prepaid posting of a copy of the process to its address for the time being applying under Clause 32.2 (Addresses for notices).
-

34.3 Forum convenience and enforcement abroad

Each Obligor:

- (a) waives objection to the English courts on grounds of inconvenient forum or otherwise as regards proceedings in connection with a Finance Document;
and
- (b) agrees that a judgment or order of an English court in connection with a Finance Document is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

34.4 Non-exclusivity

Nothing in this Clause 34 limits the right of a Finance Party to bring proceedings against an Obligor in connection with any Finance Document:

- (a) in any other court of competent jurisdiction; or
- (b) concurrently in more than one jurisdiction.

35. GOVERNING LAW

This Agreement is governed by English law.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1**LENDERS AND COMMITMENTS**

Lender	Column 1	Column 2
	Tranche A Commitments (£)	Tranche B Commitments (£)
HSBC Bank plc	81,900,000	145,600,000
JPMorgan Chase Bank	81,900,000	145,600,000
Citibank NA	30,600,000	54,400,000
The Royal Bank of Scotland plc	30,600,000	54,400,000
ABN AMRO Bank N.V.	18,000,000	32,000,000
Credit Agricole Indosuez	18,000,000	32,000,000
Lehman Brothers Bankhaus AG, London Branch	18,000,000	32,000,000
Morgan Stanley Dean Witter Bank Ltd	18,000,000	32,000,000
Societe Generale	18,000,000	32,000,000
Standard Chartered Bank	18,000,000	32,000,000
UBS AG, London	18,000,000	32,000,000
TD Bank Europe Limited	9,000,000	16,000,000
Total	£360,000,000	£640,000,000

SCHEDULE 2

CONDITIONS PRECEDENT DOCUMENTS

PART I

TO BE DELIVERED BEFORE THE FIRST ADVANCE

1. Constitutional Documents

A copy of the memorandum and articles of association and certificate of incorporation (or equivalent constituent documents) of the Parent.

2. Corporate Authorisations

(a) A copy of a resolution of the board of directors of the Parent:

- (i) approving the terms of, and the transactions contemplated by, the Finance Documents and resolving that it execute and, where applicable, deliver the Finance Documents to which it is a party;
- (ii) authorising a specified person or persons to execute and, where applicable, deliver the Finance Documents to which it is a party on its behalf; and
- (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including Requests) to be signed and/or despatched by it under or in connection with the Finance Documents;

(b) a specimen of the signature of each person authorised by the resolution referred to in paragraph (a) above;

(c) a certificate of a director of the Parent confirming that the borrowing of the Total Commitments in full would not cause any borrowing limit binding on any Obligor to be exceeded; and

(d) a certificate of an Authorised Signatory of the Parent certifying that each copy document specified in Part I of this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the Signing Date.

3. Existing Facility

Evidence that the Parent has given notice of prepayment in full of any outstandings and notice of cancellation in full under the Parent's £500,000,000 facility dated 17th December, 2001, such prepayment and cancellation to take effect no later than the first Utilisation Date and the total commitments under that facility have been irrevocably cancelled.

4. Legal Opinion

A legal opinion of Allen & Overy in relation to English law.

PART II

TO BE DELIVERED BY AN ADDITIONAL BORROWER

1. A Borrower Accession Agreement, duly executed by the Additional Borrower and the Parent.
 2. A copy of the memorandum and articles of association and certificate of incorporation of the Additional Borrower.
 3. A copy of a resolution of the board of directors of the Additional Borrower:
 - (a) approving the terms of, and the transactions contemplated by, the Borrower Accession Agreement and resolving that it execute the Borrower Accession Agreement;
 - (b) authorising a specified person or persons to execute the Borrower Accession Agreement on its behalf; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including Requests) to be signed and/or despatched by it under or in connection with this Agreement.
 4. A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Borrower Accession Agreement or for the validity and enforceability of any Finance Document.
 5. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
 6. A copy of the latest audited accounts of the Additional Borrower (if any).
 7. A legal opinion of Allen & Overy, legal advisers to the Agent and, if applicable, other lawyers approved by the Agent in the place of incorporation of the Additional Borrower, addressed to the Finance Parties.
 8. A certificate of an Authorised Signatory of the Additional Borrower certifying that each copy document specified in Part II of this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Borrower Accession Agreement.
 9. A certificate of a director of the Additional Borrower certifying that the borrowing of the Total Commitments in full would not cause any borrowing limit binding on it to be exceeded.
-

PART III

TO BE DELIVERED BY AN ADDITIONAL GUARANTOR

1. A Guarantor Accession Agreement, duly executed as a deed by the Additional Guarantor.
 2. A copy of the memorandum and articles of association and certificate of incorporation (or other equivalent constitutional documents) of the Additional Guarantor.
 3. A copy of a resolution of the board of directors of the Additional Guarantor:
 - (a) approving the terms of, and the transactions contemplated by, the Guarantor Accession Agreement and resolving that it execute the Guarantor Accession Agreement as a deed;
 - (b) authorising a specified person or persons to execute and deliver the Guarantor Accession Agreement as a deed; and
 - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents to be signed and/or despatched by it under or in connection with this Agreement.
 4. If the lawyers referred to in paragraph 10 below so advise, a copy of a resolution, signed by all the holders of the issued or allotted shares in the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Guarantor Accession Agreement.
 5. A copy of a resolution of the Board of Directors of each corporate shareholder in the Additional Guarantor:
 - (a) approving the terms of the resolution referred to in paragraph 4 above; and
 - (b) authorising a specified person or persons to sign the resolution on its behalf.
 6. A certificate of a director of the Additional Guarantor certifying that the borrowing of the Total Commitments in full would not cause any borrowing limit binding on it to be exceeded.
 7. A copy of any other authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, the Guarantor Accession Agreement or for the validity and enforceability of any Finance Document.
 8. A specimen of the signature of each person authorised by the resolutions referred to in paragraphs 3 and 5 above.
 9. A copy of the latest audited accounts of the Additional Guarantor.
 10. A legal opinion of Allen & Overy, legal advisers to the Agent, and, if applicable, other lawyers approved by the Agent in the place of incorporation of the Additional Guarantor addressed to the Finance Parties.
-

11. A certificate of an Authorised Signatory of the Additional Guarantor certifying that each copy document specified in Part III of this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Guarantor Accession Agreement.
-

SCHEDULE 3**CALCULATION OF THE MANDATORY COST****1. General**

The Mandatory Cost is the weighted average of the rates for each Lender calculated below by the Agent on the first day of a Term or Interest Period. The Agent must distribute each amount of Mandatory Cost among the Lenders on the basis of the rate for each Lender.

2. For a Lender lending from a Facility Office in the U.K.

(a) The relevant rate for a Lender lending from a Facility Office in the U.K. is calculated in accordance with the following formulae:

for an Advance in Sterling:

$$\frac{AB + C(B-D) + E \times 0.01}{100 - (A + C)} \text{ per cent. per annum}$$

for any other Advance:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum}$$

where on the day of application of the formula:

- A is the percentage of that Lender's eligible liabilities (in excess of any stated minimum) which the Bank of England requires it to hold on a non-interest-bearing deposit account in accordance with its cash ratio requirements;
- B is LIBOR for that Term or Interest Period;
- C is the percentage of that Lender's eligible liabilities which the Bank of England requires it to place as a special deposit;
- D is the interest rate per annum allowed by the Bank of England on a special deposit; and
- E is calculated by the Agent as being the average of the rates of charge supplied by the Reference Banks to the Agent under paragraph (d) below and expressed in pounds per £1 million.

(b) For the purposes of this paragraph 2:

- (i) **eligible liabilities** and **special deposit** have the meanings given to them at the time of application of the formula by the Bank of England;
 - (ii) **fees rules** means the then current rules on periodic fees in the Supervision Manual of the FSA Handbook; and
 - (iii) **tariff base** has the meaning given to it in the fees rules.
-

-
- (c) (i) In the application of the formulae, A, B, C and D are included as figures and not as percentages, e.g. if A = 0.5% and B = 15%, AB is calculated as 0.5 x 15. A negative result obtained by subtracting D from B is taken as zero.
- (ii) Each rate calculated in accordance with a formula is, if necessary, rounded upward to four decimal places.
- (d) (i) Each Reference Bank must supply to the Agent the rate of charge payable by that Reference Bank to the Financial Services Authority under the fees rules (calculated by that Reference Bank as being the average of the rates of charge within fee-block Category A1 (Deposit acceptors) applicable to that Reference Bank but, for this purpose, applying any applicable discount and ignoring any minimum fee required under the fees rules) and expressed in pounds per £1 million of the tariff base of that Reference Bank.
- (ii) Each Reference Bank must promptly notify the Agent of any change to the rate of charge.
- (e) (i) Each Lender and each Reference Bank must supply to the Agent the information required by it to make a calculation of the rate for that Lender or Reference Bank. The Agent may assume that this information is correct in all respects.
- (ii) If a Lender or a Reference Bank fails to do so, the Agent may assume that the Lender's or that Reference Bank's obligations in respect of cash ratio deposits, special deposits and the fees rules are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the U.K.
- (iii) The Agent has no liability to any Party if its calculation over or under compensates any Lender.

3. For a Lender lending from a Facility Office in a Participating Member State

- (a) The relevant rate for a Lender lending from a Facility Office in a Participating Member State is the percentage rate per annum notified by that Lender to the Agent as its cost of complying with the minimum reserve requirements of the European Central Bank.
- (b) If a Lender fails to specify a rate under paragraph (a) above, the Agent will assume that the Lender has not incurred any such cost.

4. Changes

The Agent may, after consultation with the Company and the Lenders, notify all the Parties of any amendment to this Schedule which is required to reflect:

- (a) any change in law or regulation; or
- (b) any requirement imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any successor authority).

Any notification will be, in the absence of manifest error, conclusive and binding on all the Parties.

SCHEDULE 4
FORM OF REQUEST

To: HSBC Bank plc as Agent

From: [BORROWER]

Date: []

Reuters Group PLC – £1,000,000,000 Syndicated Credit Facility
dated 25th April, 2003

1. We wish to utilise Tranche A by way of the Term-out Advance* or Advance(s) and/or*Tranche B* by way of Advance(s) as follows:

(a)	Utilisation Date:	Tranche A:	[]	*Tranche B:	[]*
(b)	Requested Amount (including currency):	Tranche A:	[]	*Tranche B:	[]*
(c)	Term/Interest Period	Tranche A:	[]	*Tranche B:	[]*
(d)	Payment Instructions	Tranche A:	[]	*Tranche B:	[]*
(e)	Maturity Date (Term-out Advances only)				[]*

2. We confirm that each condition specified in Clause 4.2 (Further conditions precedent) is satisfied on the date of this Request and this Advance would not cause any borrowing limit binding on us to be exceeded.

By:

[BORROWER]

Authorised Signatory

* Delete as appropriate.

SCHEDULE 5

FORMS OF ACCESSION DOCUMENTS

PART I

NOVATION CERTIFICATE

To: HSBC Bank plc as Agent

From: [THE EXISTING LENDER] and [THE NEW LENDER] Date: []

**Reuters Group PLC – £1,000,000,000 Syndicated Credit Agreement dated
25th April, 2003**

We refer to Clause 26.3 (Procedure for novations).

1. We [] (the "**Existing Lender**") and [] (the "**New Lender**") agree to the Existing Lender and the New Lender novating all the Existing Lender's rights and obligations referred to in the Schedule in accordance with Clause 26.3 (Procedure for novations).
 2. The specified date for the purposes of Clause 26.3(c) (Procedure for novations) is [date of novation].
 3. The Facility Office and address for notices of the New Lender for the purposes of Clause 32.2 (Addresses for notices) are set out in the Schedule.
 4. This Novation Certificate is governed by English law.
-

THE SCHEDULE

Rights and obligations to be novated

[Details of the rights and obligations of the Existing Lender to be novated].

[**New Lender**]

[Facility Office

Address for notices]

[Existing Lender]

[New Lender]

[]

By:

By:

By:

Date:

Date:

Date:

PART II
BORROWER ACCESSION AGREEMENT

To: HSBC Bank plc as Agent

From: [PROPOSED BORROWER] and Reuters Group PLC

[Date]

**Reuters Group PLC – £1,000,000,000 Syndicated Credit Facility dated
25th April, 2003 (the "Credit Agreement")**

We refer to Clause 26.4 (Additional Borrowers).

[Name of company] of [Registered Office] (Registered no. []) (the "**Proposed Borrower**") agrees to become an Additional Borrower and to be bound by the terms of the Credit Agreement as an Additional Borrower in accordance with Clause 26.4 (Additional Borrowers).

The address for notices of the Proposed Borrower for the purposes of Clause 32.2 (Addresses for notices) is:

[

]

This Agreement is governed by English law.

By:

[PROPOSED BORROWER]

Authorised Signatory

By:

REUTERS GROUP PLC

Authorised Signatory

SCHEDULE

[]

IN WITNESS whereof the parties hereto have caused this Novation Agreement to be duly executed on the date first written above.

For and on behalf of
[The Existing Borrower]

For and on behalf of
[The Substitute Borrower]

For and on behalf of each
Guarantor, each Borrower and the Parent

For and on behalf of each
Lender and the Agent

SCHEDULE 6

FORM OF COMPLIANCE CERTIFICATE

To: HSBC Bank plc

From: Reuters Group PLC

**Reuters Group PLC – £1,000,000,000 Syndicated Credit Facility dated
25th April, 2003 (the "Credit Agreement")**

1. Terms defined in the Credit Agreement have the same meaning in this Certificate.
2. We hereby certify that based on the [annual] consolidated financial statements of the Group for the financial [year/half-year] ended [] (the "**Testing Date**"):
 - (a) (i) in respect of the 12 month period ending on the Testing Date Consolidated Profits before Interest and Taxes was [] and Consolidated Net Finance Charges was [] and accordingly the ratio of Consolidated Profits before Interest and Taxes to Consolidated Net Finance Charges for that financial [year/period] was []; and
 - (ii) as at the Testing Date, Consolidated Net Borrowings were [] and in respect of the 12 month period ending on the Testing Date EBITDA was [] and accordingly the ratio of Consolidated Net Borrowings to EBITDA was [].

[(b) the Material Subsidiaries were:

[]].
3. The information in this certificate is based on information which has been properly extracted from the [consolidated financial statements of the Parent for the periods ending []/ audited consolidated accounts of the Parent for the year ended []], is clerically accurate and has been calculated in accordance with the Credit Agreement.

[Officer]

[Officer]

for and on behalf of
Reuters Group PLC

for and on behalf of
Reuters Group PLC

SCHEDULE 7

FORM OF CONFIDENTIALITY UNDERTAKING

To: [Lender]
Reuters Group PLC

Dear Sirs

We refer to the £1,000,000,000 Syndicated Credit Facility dated 25th April, 2003 (the "**Credit Agreement**") between, among others, Reuters Group PLC, J.P. Morgan plc and HSBC Bank plc.

This is a confidentiality undertaking referred to in Clause 27 (Disclosure of Information) of the Credit Agreement. A term defined in the Credit Agreement has the same meaning in this undertaking.

We are considering entering into contractual relations with [insert name of Lender] (the "**Lender**") and understand that it is a condition of our receiving information about Reuters Group PLC and its related companies and any Finance Document and/or any information under or in connection with any Finance Document (the "**Information**") that we execute this undertaking.

We undertake to treat as confidential any Information and to use the Information solely for the purposes of determining whether or not to enter into the contractual relations and to keep any Information under secured and controlled conditions. We will not disclose any of the Information to any third party (other than our directors, officers, employees or outside advisors, who shall be advised of and agree to those confidentiality obligations) without the prior written consent of the Reuters Group PLC.

The foregoing undertakings do not apply to any Information that is publicly available when provided or that thereafter becomes publicly available other than through a breach by us of the above undertakings, or that is required to be disclosed by us by judicial or administrative process in connection with any action, suit, proceedings or claim or in order to comply with a request from any fiscal, monetary or other authority with which we are accustomed to comply or otherwise by applicable law. Information shall be deemed "publicly available" if it becomes a matter of public knowledge or is contained in materials available to the public or is obtained by us from any source other than the Lender or from you (or its or your directors, officers, employees or outside advisors), provided that such source has not entered into a confidentiality agreement with you with respect to the Information.

Yours faithfully,

SIGNATORIES

Parent

REUTERS GROUP PLC

By: TIMOTHY COLLIER

Mandated Lead Arrangers

HSBC BANK plc

By: MARK LEAHY
BRYONY SAYERS

J.P. MORGAN PLC

By: ROBIN FORREST

Lenders

HSBC BANK plc

By: MARK LEAHY

JPMORGAN CHASE BANK

By: JULIAN GRAHAM

CITIBANK, NA

By: PAUL HOUSE

THE ROYAL BANK OF SCOTLAND PLC

By: DAVID VAUGHAN

ABN AMRO BANK NV

By: KIM SLATER

CREDIT AGRICOLE INDOSUEZ

By: JONATHAN GRAHAM

LEHMAN BROTHERS BANKHAUS AG, LONDON BRANCH

By: DAVID STENT
Acting by a power of attorney

MORGAN STANLEY DEAN WITTER BANK LTD

By: JEFFREY BENNETT

SOCIETE GENERALE

By: BRUCE POMFORD

STANDARD CHARTERED BANK

By: CHERYL BUSS
JACKIE EDWARDS

UBS AG, LONDON

By: DAVID STENT
Acting by power of attorney

TD BANK EUROPE LIMITED

By: JULIE EVANS

Agent

HSBC BANK plc

By: DAVID STENT

10 February 2004

REUTERS GROUP PLC

THOMAS H. GLOCER

SERVICE AGREEMENT

CONTENTS

CLAUSE	PAGE
<u>1</u> <u>DEFINITIONS</u>	<u>1</u>
<u>2</u> <u>DURATION OF EMPLOYMENT</u>	<u>1</u>
<u>3</u> <u>ROLE, POWERS AND DUTIES</u>	<u>2</u>
<u>4</u> <u>NORMAL PLACE OF WORK</u>	<u>2</u>
<u>5</u> <u>HOURS OF WORK</u>	<u>3</u>
<u>6</u> <u>SALARY AND BENEFITS</u>	<u>3</u>
<u>7</u> <u>EXPENSES</u>	<u>4</u>
<u>8</u> <u>OTHER INTERESTS</u>	<u>4</u>
<u>9</u> <u>INVENTIONS AND IMPROVEMENTS</u>	<u>5</u>
<u>10.</u> <u>CONFIDENTIALITY</u>	<u>6</u>
<u>11.</u> <u>TERMINATION</u>	<u>7</u>
<u>Summary dismissal</u>	<u>7</u>
<u>Termination by the Company through illness</u>	<u>8</u>
<u>Termination by the Company without Cause</u>	<u>8</u>
<u>Termination through loss of directorship</u>	<u>9</u>
<u>Termination by you without Good Reason</u>	<u>9</u>
<u>Termination by you with Good Reason</u>	<u>9</u>
<u>Cessation Compensation</u>	<u>11</u>
<u>Mitigation</u>	<u>11</u>
<u>Return of documents</u>	<u>12</u>
<u>Resignation as a director</u>	<u>12</u>
<u>Share schemes</u>	<u>12</u>
<u>12.</u> <u>SUSPENSION</u>	<u>13</u>
<u>13.</u> <u>CONTINUING OBLIGATIONS</u>	<u>13</u>
<u>Non-representation</u>	<u>13</u>
<u>Non-solicitation of employees</u>	<u>14</u>
<u>Non-solicitation of business</u>	<u>14</u>
<u>Non-dealing</u>	<u>14</u>
<u>Non-competition</u>	<u>15</u>
<u>Extension to other persons</u>	<u>15</u>
<u>Acknowledgement of reasonableness</u>	<u>15</u>
<u>14.</u> <u>GRIEVANCE PROCEDURE</u>	<u>16</u>

<u>15. WAIVER</u>	<u>16</u>
<u>16. AMENDMENTS</u>	<u>16</u>
<u>17. NOTICES</u>	<u>16</u>
<u>18. OTHER AGREEMENTS</u>	<u>16</u>
<u>19. GOVERNING LAW</u>	<u>17</u>
<u>20. WITHHOLDING OR DEDUCTIONS FOR TAX</u>	<u>17</u>
<u>SCHEDULE 1</u>	<u>18</u>
<u>OTHER BENEFITS</u>	<u>18</u>
<u>21. BONUS</u>	<u>18</u>
<u>22. HOLIDAYS</u>	<u>18</u>
<u>23. PENSION PLANS</u>	<u>18</u>
<u>24. LONG TERM INCENTIVE PLAN</u>	<u>19</u>
<u>25. MEDICAL/DISABILITY INSURANCE</u>	<u>19</u>
<u>26. LIFE ASSURANCE</u>	<u>19</u>
<u>27. COMPANY CAR</u>	<u>19</u>
<u>28. DIRECTORS' INDEMNITY AND INSURANCE</u>	<u>19</u>
<u>29. OTHER BENEFITS</u>	<u>20</u>
<u>SCHEDULE 2</u>	<u>22</u>
<u>COMPETING BUSINESS CONCERNS AS AT THE DATE OF THIS AGREEMENT</u>	<u>22</u>
<u>SCHEDULE 3</u>	<u>23</u>
<u>PERMITTED SHAREHOLDINGS AS AT THE DATE OF THIS AGREEMENT</u>	<u>23</u>

AGREEMENT is made on 10 FEBRUARY 2004

BETWEEN

- (1) **REUTERS GROUP PLC** registered in England with No. 3296375 whose registered office is at 85 Fleet Street, London, EC4P 4AJ (the **Company**); and
- (2) **THOMAS HENRY GLOCER** of 32 Hyde Park Gate, London SW7 (**you**).

IT IS AGREED as follows:

DEFINITIONS

1. In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of the Company or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985 of England and Wales). **Group Company** and **Group Companies** shall be construed accordingly;

Remuneration Committee means the remuneration committee of the Board; and

Year means a calendar year;

DURATION OF EMPLOYMENT

- 2.1 It is acknowledged that the company and you entered into an Agreement dated 23 July 2001 setting out the terms of your Employment (the Original Agreement). It is further acknowledged that:

- (a) this Agreement shall supersede and replace the Original Agreement with effect from 1 January 2004 in respect of the period of your Employment from 1 January 2004;
- (b) nothing in this Agreement shall amend or alter the provisions of the Original Agreement in respect of the period 23 July 2001 to 31 December 2003 or of any award made thereunder;
- (c) your Employment under this Agreement will continue until terminated in accordance with Clause 11 below (the **Employment Period**).

2.2 It is acknowledged that your continuous employment for statutory purposes began on 29 September 1993.

ROLE, POWERS AND DUTIES

3.1 From the date of this Agreement, you will serve the Company as Chief Executive Officer of the Company and executive director of the Company.

3.2 During the Employment Period, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are customary, appropriate to and consistent with your status as may reasonably be assigned to you by the Board from time to time. During the Employment Period, you shall report solely and directly to the Board.

3.3 During the Employment Period you will:

- (a) subject to Clause 8.1, devote substantially the whole of your working time, attention and abilities to carrying out your duties under Clauses 3.1 and 3.2;
- (b) comply with the duties imposed on you as a director by law;
- (c) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (d) have due regard to the Reuter Trust Principles and to the rights and duties of the Reuter Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuter Trust Principles are capable of being observed by you;
- (e) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (f) comply with the Reuters Share Dealings Code (as notified to you from time to time);
- (g) have due regard to the provisions of all other material policies which apply to you as an executive employed by a Group Company, as notified to you from time to time; and
- (h) other than absences due to illness or vacation or as otherwise may be required to fulfil your duties hereunder, regularly attend meetings of the Board and of any committees of the Board to which you may be appointed.

NORMAL PLACE OF WORK

4. Your normal place of work is at the Company's head office in London. You will be required, in the performance of your duties, to travel in the United Kingdom

and overseas. However, having given you not less than 90 days' notice, the Company may reasonably require you to relocate to perform your duties at the offices of another Group Company in New York. In addition, the Company shall reimburse you all relocation expenses in respect of your relocation to New York in a manner which is consistent with the benefits provided in Clause 9 of Schedule 1.

HOURS OF WORK

5. You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

SALARY AND BENEFITS

- 6.1 You will be paid a base salary at the rate set out in a letter to you from the Company of the same date as this Agreement and as confirmed in your annual statement of remuneration and benefits (the **Base Salary**) and you will also be entitled to the additional remuneration and benefits set out in Schedule 1.
- 6.2 Your Base Salary will be paid in equal monthly instalments in accordance with the Company's customary payroll practices for senior executives. If your Base Salary is increased, then such increased Base Salary shall constitute Base Salary for all purposes under this Agreement.
- 6.3 You are not entitled to any other salary, fees or remuneration as director or employee of the Company or any other Group Company save as provided herein and other than as provided in documentation relating to your directorships of other Group Companies and you must, as the Company directs, either waive your rights to any such salary, fees or remuneration or account for the same to the Company failing which it will be deducted from your salary.
- 6.4 During the Employment, you will be eligible to receive equity based incentive awards on a basis commensurate with your position as Chief Executive Officer of the Company and the level of equity based incentive awards made to the chief executive officers of publicly listed companies comparable in size and industry to the Company, taking into account all relevant circumstances, including without limitation, your performance, the performance of the Company and the level of awards made under the original Agreement.
- 6.5 Your Base Salary and benefits will be reviewed annually by the Remuneration Committee no later than in December. Any change in the level of your Base Salary and benefits as a result of the review (which will not be downwards) will be effective from 1 January of the year following the review. Your bonus opportunity as a percentage of salary (with salary calculated in accordance with paragraph 1 of Schedule 1) shall not be reduced below 150% during your Employment and the performance criteria pursuant to which such bonus is based shall not be materially altered to your detriment.
- 6.6 During or after the termination of the Employment for whatever reason, the Company may deduct from your pay any undisputed sums outstanding to the

Company or to any other Group Company from you including, without limitation, any advance of pay or loans or floats for expenses which would become due upon such termination.

EXPENSES

7. Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses (including first class travel expenses) properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

OTHER INTERESTS

8.1 During the Employment Period you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:

- (a) the prior written consent of the Chairman of the Company (such consent to be confirmed by the Board and it being understood and agreed that you currently serve as a non-executive director of certain entities previously disclosed to the Company); and
- (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any time during the Employment Period the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment Period you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;
- (c) by virtue of your being interested in securities not representing more than (i) one per cent of a company's issued securities of any class which are either listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised inter-dealer quotation system or (ii) two per cent of a private operating company or (iii) five per cent of a private company where such interest takes

the form of a purely passive investment, provided that you will make disclosure of your investments as required by law or by the requirements of any regulatory body to which the Company is subject; or

(d) with the prior written consent of the Board.

8.3 For the avoidance of doubt, it is confirmed that, as at the date of this Agreement, you have been given approval to retain your current interest in securities in the company(ies) referred to in Schedule 3 to this Agreement.

8.4 You may serve on the board of religious, charitable, civic or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and
- (b) promptly to give to the Company Secretary full details of any invention or improvement which you may from time to time make or discover in the course of your duties provided that any inadvertent or unintentional failure on your part to provide such details shall not be a breach of this Agreement.

Subject to the Patents Act 1977 of England and Wales, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent that those rights will immediately upon the completion of the relevant work rest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection owned by the Company (or in relation to which the Company is entitled to assert a right of ownership, whether pursuant to this Clause 9 or otherwise) or any application for any such patent or protection.

- 9.5 You will not either during or after the termination of the Employment exploit or assist others to exploit any invention or improvement owned by the Company (or in relation to which the Company is entitled to assert a right of ownership, whether pursuant to this Clause 9 or otherwise) which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.
- 9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) the subject of copyright made by you in the course of the Employment.

CONFIDENTIALITY

- 10.1 During and after the termination of the Employment you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information, which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order properly to discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:
- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costing, budgets, turnover, sales targets and other financial information);
 - (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
 - (c) details and terms of the agreements with suppliers and customers of the Company or of any other Group Companies;
 - (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and
 - (e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.
- 10.2 These restrictions shall not apply to any disclosure or use authorised by the Board, as required in the ordinary performance of your duties or required by law or by the requirements of any regulatory or other authority to which the Company or any

other Group Company or yourself is subject or as is reasonably necessary in connection with any adversarial proceedings against the Company and/or Group Company.

10.3 These restrictions shall not apply to information which is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment.

TERMINATION

Summary dismissal

11.1 The Company may terminate the Employment for Cause by immediate notice in writing and without payment of any kind other than any accrued but unpaid Base Salary, Bonus (as defined in Clause 1 of Schedule 1) and holiday pay up to the date of termination and any other benefits or payments (including reimbursement of expenses) to which you may be entitled under any benefit scheme of the Company or any Group Company up to the date of termination (the **Accrued Benefits**).

For the purposes of this Agreement "Cause" shall mean:

- (a) if you commit any act or omission which constitutes:
 - (i) gross misconduct; or
 - (ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board where such act does not cease or such omission is not remedied within ten (10) days following delivery of such written demand; or
- (b) if you wilfully commit any material breach of any material provision of this Agreement;
- (c) if you wilfully neglect or refuse to carry out any material part of your duties (other than for a reason set forth in Clause 11.2) and which is not remedied by you, if capable of remedy, within ten (10) days following written notice by the Board of its intention to terminate the Employment under this sub-Clause (c);
- (d) if you engage (either in bad faith or intentionally and with recklessness as to the consequences of your actions) in any conduct which materially damages the reputation of the Company or any other Group Companies;
- (e) if you become prohibited by law from being a director of the Company due to your misconduct (including by virtue of your having committed an offence under section 213 or 214 of the Insolvency Act 1986); or

(f) if you terminate your directorship of the Company without Good Reason or without the consent of the Board.

For purposes of this Clause 11.1, no act, or failure to act, by you shall be considered to have been done or omitted to be done “wilfully” unless committed in bad faith or without a reasonable degree of skill or care or without a reasonable belief that the act or omission was in the best interests of the Company or any Group Company.

Cause shall not exist under sub-Clauses (a), (b), (c) or (d) unless and until the Company has delivered to you a copy of a resolution duly adopted by a majority of all the members of the Board at a quorate Board meeting (such majority and quorum to exclude you) called and held for such purpose (after not less than three business days’ notice to you and an opportunity for you and, where the Board agrees in advance, your counsel, to be heard before the Board) finding that Cause exists.

Termination by the Company through illness or death

11.2 The Company may terminate the Employment if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of twenty four (24) consecutive calendar months. The Company will not terminate the Employment pursuant to this Clause 11.2 if, as a result, you would or may forfeit any entitlement to benefits under the permanent health insurance arrangements referred to in Schedule 1 unless it can procure the provision of continued cover under those arrangements or reimburse you the cost of premiums for continued cover under those arrangements or under other arrangements providing substantially similar cover for the period of the illness in question or until benefits would apart from such termination have ceased to be payable had the Employment continued or until you obtain permanent health insurance cover from a subsequent employer, whichever is the shortest period. Upon such termination of Employment or due to your death, the Company shall pay you the Accrued Benefits and you shall be entitled to the benefits provided for in Clause 11.12.

Termination by the Company without Cause

11.3 The Company may terminate the Employment without Cause by giving you 30 days’ advance written notice. Upon such termination of Employment, the Company shall pay you the aggregate of (i) the Accrued Benefits and (ii) the Cessation Compensation in cash in accordance with Clause 11.7 and (iii) you shall be entitled to the benefits provided for in Clause 11.12 provided that should the termination of Employment take place as a result of a Change of Control which is not excluded by the proviso in Clause 11.6 sub-Clause (iv), the Company shall multiply the Cessation Compensation by a factor of 1.66 if such termination takes place prior to 31 July 2004 and by a factor of 1.33 if such termination takes place prior to 31 July 2005 and thereafter by a factor of 1. In addition, the Company shall maintain in full force and effect, for the continued benefit of you, your spouse and your children for a period of one year following the date of termination the medical, hospitalisation, dental, and life insurance schemes in which you, your spouse and your children were participating immediately prior to the date of termination at the level in effect and upon substantially the same terms and conditions (including without limitation contributions required by you for such benefits) as existed immediately prior to the

date of termination. If you, your spouse or your children cannot continue to participate in the Company schemes providing such benefits, the Company shall arrange, at its discretion, either to provide you, your spouse and your children with the cash equivalent of such benefits which they otherwise would have been entitled to receive under such schemes or to pay the premiums to enable continued participation in equivalent schemes for a period of one year following the date of termination. The Company's obligation to provide continuing arrangements in relation to medical, hospitalisation, dental and life assurance schemes under this Clause 11.3 shall terminate on the date or dates you receive equivalent cover and benefits, without waiting period or pre-existing condition limitations under the schemes of a subsequent employer (such cover and benefits to be determined on a cover by cover and benefit by benefit basis). If you obtain cover or benefits relating to medical, hospitalisation, dental and life insurance schemes from a subsequent employer which are less generous than those provided to you by the Company, you shall be entitled from the Company only to the difference between the cover or benefits you obtain from a subsequent employer and those to which you would have been entitled hereunder had no subsequent employer provided cover or benefits. You will use all reasonable endeavours to obtain equivalent cover and benefits from a subsequent employer. Once equivalent cover and benefits have been obtained from such subsequent employer, the Company's obligations to provide such cover and benefits for such one year period shall cease absolutely. For the purpose of this Clause 11.3, the reference to children means children up to the age of 21 or, if older and if they are in full time education, until they finish their education.

Termination through loss of directorship

11.4 If you are removed from the office of director of the Company, or the Company fails in general meeting to re-elect you as a director of the Company (including if, under the Articles of Association or other constitutional documents for the time being of the Company, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement. For the avoidance of doubt, it is acknowledged that termination of the Employment pursuant to this Clause 11.4 where removal from office has not taken place in circumstances justifying dismissal for Cause under Clause 11.1 constitutes a termination of the Employment without Cause for the purpose of Clause 11.3.

Termination by you without Good Reason

11.5 You may terminate the Employment without Good Reason (as defined below) by giving the Company ninety (90) days' advance written notice. In such event, you will be entitled to the same payments as described in Clause 11.1.

Termination by you with Good Reason

11.6 You may terminate the Employment by giving the Company thirty (30) days' advance written notice, such notice to be given within ninety (90) days after:

- (a) in the case of a Good Reason event which is incurable, the date on which the Good Reason event occurs (provided that such thirty (30) days' notice is not required for an event described in sub-Clause (iv) of the definition of Good Reason below); and
- (b) in the case of a Good Reason event which is curable but which is not cured within thirty (30) days of you giving written notice to the Company specifying the Good Reason event and requiring it to be cured, the date falling thirty (30) days after the date of such notice to the Company.

Upon such a termination of Employment, you will be entitled to the same payments as in the case of a termination of Employment by the Company without Cause (as described in Clause 11.3).

“Good Reason” shall mean, without your written consent, any of the following events:

- (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities or any other action by the Company (or its successors or assigns) which results in material diminution in such position, authority, duties or responsibilities (including, for the avoidance of doubt, your responsibilities as the Chief Executive Officer of a publicly listed company), but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you;
- (ii) any material breach of any material provision of this Agreement by the Company (or its successors or assigns), including, without limitation, a reduction in your Base Salary, reduction in your bonus opportunity as a percentage of salary or the material alteration to your detriment of the performance criteria pursuant to which such Bonus is calculated, a failure of the Company (or its successors or assigns) to make the equity grants contemplated under Clause 6.4, or the Company's (or its successors' or assigns') failure to provide in all material respects the indemnification in Clause 8 of Schedule 1;
- (iii) any required relocation of you outside London or New York City; and
- (iv) a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company for the purposes of the definition of Change of Control in this sub-Clause (iv) has agreed to adopt the Reuter Trust Principles and the rights and duties of the Reuter Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company and a Change of Control shall for the purpose of this Agreement occur where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the

Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company.

Cessation Compensation

11.7 For the purpose of Clause 11.3 and 11.6 :

- (a) **Cessation Compensation** means the Relevant Sum;
- (b) **Relevant Sum** means the sum of your Base Salary and Relevant Bonus;
- (c) **Relevant Bonus** means $H \times (I\% \times \text{Base Salary})$ where H is the highest percentage of bonus which you have received in the three years prior to the year in which the Employment terminates (including, if relevant, periods prior to the Effective Date) and I is the maximum percentage of Base Salary earnable as bonus in the year of termination. For example, if you are eligible to a bonus of 125% of a Base Salary of £1,000,000 and in the last three years you have received 100%, 90% and 50% of your bonus respectively, your relevant bonus will be £1,250,000.

Other than in respect of your rights under Clause 11.12, you agree that any payment of Cessation Compensation made to you pursuant to Clause 11.3 or 11.6 will be in full and final settlement of any claim which you might otherwise have against the Company and against any other Group Company for damages for wrongful dismissal and the parties agree that the Cessation Compensation represents a genuine pre-estimate of the loss which would otherwise have been suffered by you.

The payment to be made to you pursuant to Clause 11.3 or 11.6 will be made in two stages. The total amount, less a deduction of £60,000, will be paid within seven (7) days of the termination of the Employment. The remaining balance of £60,000 will be paid within four months of the termination of the Employment, conditional upon you not having brought any claims before a court or tribunal against the Company or any other Group Company or any of their respective officers and employees in connection with the Employment or its termination in or prior to that four month period.

Mitigation

11.8 You shall not be required to mitigate amounts payable under this Clause 11 by seeking other employment or otherwise, and there shall be no offset against amounts due to you under this Clause 11 on account of subsequent employment save as provided herein. Additionally, amounts owed to you under this Clause 11 shall not be offset by any claims the Company may have against you and, subject to Clause 6.5, the Company's obligation to make the payments provided for in this Agreement and

otherwise to perform its obligations hereunder, shall not be affected by any other circumstances including, without limitation, any counterclaim, recoupment, defence or other right which the Company may have against you or others.

Return of documents

11.9 On termination of the Employment for any reason or, at the request of the Company, when notice to terminate the Employment is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
- (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded,

in your possession or under your control.

Resignation as a director

11.10 On termination of the Employment for any reason, you must immediately, at the request of the Company, resign your office as a director of the Company and of any other Group Company without compensation for loss of office other than as provided in this Agreement.

Share schemes

11.11 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. Subject to Clause 11.12, if on termination of the Employment, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment not been terminated) you shall not be entitled, by way of compensation for loss of office or otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

11.12 Notwithstanding Clause 11.11, if the Employment is terminated in any of the circumstances described in Clause 11.2, 11.3 or 11.6 or by reason of your death or where it is terminated pursuant to Clause 11.4 in circumstances where such termination constitutes a termination of the Employment without Cause for the purpose of Clause 11.3, the Company will procure that you shall retain all awards made under the Company's or any Group Company's equity plans or programs, including, without limitation, the awards under Clause 6.4 hereof (the *Equity Plans*) granted to you (including without limitation in the form of options shares or share rights) which have not vested or crystallised at the date of termination and shall in respect of the subsequent vesting or crystallisation of such awards (including through any extension of the applicable vesting period) and their exercise or release be treated

as though you had continued in Employment. In addition, notwithstanding the terms and conditions of the Equity Plans to the contrary, with respect to the retention, vesting and/or crystallisation of such awards your personal conduct following your termination of Employment will not in any way affect your right to continue to retain, vest or crystallise with respect to such awards, provided that the terms or conditions of the Equity Plans relating to the performance conditions pursuant to which such awards vest and crystallise shall continue to apply. Should it not be possible to treat you as if you are a continuing employee in respect of the vesting, crystallisation, exercise or release of any awards under the Equity Plans, the Company will procure that all your awards vest (and/or crystallise, as the case may be) in full and become exercisable on termination of Employment regardless of any conditions relating to status, personal conduct or otherwise, and in the case of options shall remain exercisable for at least 6 months following termination of employment, provided that such period does not extend beyond the original life of the relevant award.

SUSPENSION

12.1 The Board may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company in circumstances in which the Board reasonably believes that you have committed gross misconduct or are in material breach of a material provision of this Agreement and in order that the circumstances giving rise to that belief may be investigated. You shall be suspended for such period as the Board considers reasonably necessary for it to undertake a proper investigation but in any event for no longer than ninety (90) consecutive days. At the end of such ninety (90) day period, the Company will procure that you are either reinstated in your post as Chief Executive Officer or that your Employment is terminated. The Company will give you a reason for suspending or excluding you. Your salary and benefits will not cease to be payable by reason only of such suspension or exclusion.

12.2 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chairman of the Company. You will be entitled to terminate the Employment without Good Reason pursuant to Clause 11.5 but without the requirement to give the Company ninety (90) days' advance written notice. Any rights you might otherwise have to terminate this Agreement pursuant to Clause 11.6 shall not be affected during any period of suspension or exclusion (although you acknowledge that such suspension or exclusion shall in and of itself not constitute Good Reason pursuant to Clause 11.6).

CONTINUING OBLIGATIONS

Non-representation

13.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company or as a director of the Company).

Non-solicitation of employees

13.2 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or
- (b) who you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

13.3 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period for the account or benefit of any other business concern of which you are a sponsor or promoter and which is in competition with the business of the Company or any Group Company

Non-dealing

13.4 You must not for a period of six months after the termination of the Employment deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period for the account or benefit of any business concern referred to in Clause 13.5 or for the account of any other business concern of which you are a

sponsor or promoter and which is in competition with the business of the Company or any Group Company.

Non-competition

13.5 You must not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 2 to this Agreement. Unless you have the prior approval of the Chairman of the Company you may not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 2 to this Agreement. The lists in Schedule 2 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 2 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

13.6 The obligations imposed on you by this Clause 13 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

13.7 The restrictions contained in this Clause 13 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

13.8 Each party agrees (and in the case of the Company, it shall use reasonable endeavours to cause its executives, officers, employees, directors, agents and consultants) during, and after termination of, your Employment not to make, publish or in any other way communicate or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants provided that nothing in this Agreement will prevent you or the Company or any Group Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

GRIEVANCE PROCEDURE

14. Without limiting your rights to terminate the Employment with Good Reason pursuant to Clause 11.6 or to enforce any of the terms of this Agreement in accordance with Clause 19 directly without regard to this Clause 14, if at any time you have a grievance relating to the Employment, you may seek redress orally or in writing by, in the first instance, referring the grievance to the Chairman of the Company. If the grievance remains unresolved, you may appeal to the Board and the Board shall deal with the matter by discussion and by majority decision of those present at the relevant meeting of the Board. The Board's decision shall be final and binding with respect to the grievance procedure save that if you are not satisfied with the decision of the Board, you may pursue an action in a manner contemplated by Clause 19.

WAIVER

15. Any delay or forbearance by the Company or you in exercising any right of determination of this Agreement shall not constitute a waiver of it.

AMENDMENTS

16. No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a Director of the Company .

NOTICES

17. Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at an address for service within the United Kingdom nominated by you for this purpose; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at an address for service within the United Kingdom nominated by you for these purposes and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

OTHER AGREEMENTS

18. You acknowledge and warrant that there are no agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than the Side Letter and those which are expressly set out or referred to in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement.

GOVERNING LAW

19. This Agreement will be governed by and construed under English Law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees that the Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

WITHHOLDING OR DEDUCTIONS FOR TAX

20. All amounts payable to you under this Agreement shall be subject to applicable withholding or deductions of income, salary and such other withholdings or deductions which the Company reasonably determines are required to be withheld or made in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

SCHEDULE 1

OTHER BENEFITS

BONUS

1. You will be entitled to participate in an annual bonus plan to be administered by the Remuneration Committee. Unless otherwise agreed by the Remuneration Committee, the annual bonus (the **Bonus**) payable under this plan will be an amount of up to 150% of your Base Salary. The criteria relating to your performance and that of the Company which are to be used to determine the amount of the bonus in any year will be laid down by the Remuneration Committee at the commencement of each year and the bonus for that year will be paid as soon as reasonably practicable after the relevant results have been determined. The Remuneration Committee reserves the right to amend the quantitative criteria annually, subject to your right to terminate for Good Reason (as defined in your Service Agreement) in the event of a material amendment to your detriment. On termination of the Employment during a financial year, other than termination pursuant to Clause 11.1 or Clause 11.5 or as otherwise provided under Clause 11.7, you shall be entitled to a pro-rated amount of average Bonus, being such proportion of the average bonus you have received in the three years prior to the year in which the Employment terminates as is equivalent to the proportion of the financial year during which the Employment has subsisted.

HOLIDAYS

- 2.1 The Company's holiday year runs from 1 January to 31 December. In addition to the bank and other public holidays, you will be entitled to 30 working days' paid holiday and three personal days in each holiday year.
- 2.2 Your annual holiday may be taken at such time or times as are reasonably appropriate having regard to the business needs of the Company.
- 2.3 Holidays not taken in the year of entitlement will be lost unless carried forward with the agreement of the Chairman of the Company.
- 2.4 On termination of the Employment, you will be entitled to pay in lieu of any unpaid holiday or be required to pay the Company any salary received for holiday taken in excess of your contractual entitlement.

PENSION PLANS

3. During the Employment Period, you will be provided with pension and retirement benefits appropriate to your senior executive status in the Company and which are no less favourable than those for the majority of executive Directors. For this purpose, you and the Company shall work to provide such benefits in a manner which is tax efficient to both parties.

LONG TERM INCENTIVE PLAN

4. Subject to Clause 11.13 of the Service Agreement, you are entitled to be a member of the Reuters Group PLC Long Term Incentive Plan (as notified to you from time to time) (or any plan operated by the Company in succession to that plan) for so long as such plans may be operated by the Company, and the Company shall pay to you benefits under these plans, subject to the conditions of the Company's policy on retention of LTIP awards on early retirement (as notified to you from time to time).

MEDICAL/DISABILITY INSURANCE

- 5.1 You shall be entitled to membership of the Company's Medical, Dental and Eye Care plans, subject to the terms of the plans and of any related policies of insurance as in force from time to time.
- 5.2 You shall be entitled to membership of the Company's disability insurance plans, subject to the terms of those plans and of any related policies of insurance as in force from time to time.

LIFE ASSURANCE

6. You are entitled to membership of the Company's Basic Life Assurance, Accidental Death and Dismemberment Insurance and Supplemental Life Assurance Plans, subject to the terms of the plans and of any related policy of insurance as in force from time to time.

COMPANY CAR

7. The Company will provide you with a monthly car allowance subject to the Company's Policy on Executive Director's Cars which shall be payable in instalments with Base Salary pursuant to Clause 6.2.

DIRECTORS' INDEMNITY AND INSURANCE

- 8.1 During the Employment Period and thereafter, you shall have the benefits of:
 - (a) a complete indemnity for all and any liabilities incurred by you (including, without limitation, all legal expenses reasonably incurred by you) in your capacity as an officer, director or employee of the Company or any other Group Company to the fullest extent provided in the constitutional documents of the Company or any Group Company for all acts or omissions on your part whilst acting as a director, officer or employee of the Company or such other Group Company (to the extent such indemnity is permitted by the law of the country to which the relevant Company or Group Company is subject); and
 - (b) (subject to their terms) any insurance policies which shall be maintained by the Company in respect of liabilities incurred by Group Company directors officers and employees in their capacity as such.

The obligations of the Company under Clauses 8.1 and 8.2 shall survive termination of the Employment and shall not be offset by any liquidated damages contemplated under this Agreement.

- 8.2 During the Employment Period and thereafter, the Company shall procure that you have (to the extent such indemnity is permitted by applicable law) a complete indemnity for all any liabilities incurred by you (other than where such liability arises out of or relates to the commission by you of a criminal offence or any wilful default or gross negligence) in your capacity as an officer or director of any company or similar entity that is not a member of the Group, where such directorship or office is held by you at the request of the Company.
- 8.3 You are entitled to take independent professional advice, at the expense of the Company, where such advice is reasonably required for the furtherance of your duties as a director of the Company. No prior approval is required to obtain advice costing up to £5,000. Before seeking advice that is likely to cost more than £5,000 you must obtain the written consent of at least one non-executive director and send a copy of such consent to the Company Secretary. The non-executive director shall have power to set a reasonable limit on the cost you may incur on obtaining independent advice at the Company's expense without further reference to him.

OTHER BENEFITS

- 9.1 During the Employment Period the Company will meet or reimburse you for:
- a) any reasonable costs incurred by you in seeking legal and financial advice in relation to this Agreement; and
 - b) the cost of business class travel from New York to London (and return) five times a year for your spouse, children and nanny.
- 9.2 The Company will provide you with a licence to occupy property at 32 Hyde Park Gate, London SW7, or similar accommodation acceptable to you, free of charge. The licence shall be revocable by the Company at any time and, in any event, no later than 31 July 2005. However, if the licence is revoked you will, in respect of the period between the date of revocation and 31 July 2005 be paid a housing allowance at an annual rate of £381,316. After 31 July 2005, the Company will, at its election, either continue to provide you with a licence to occupy suitable accommodation acceptable to you, or will pay you a housing allowance in an equal amount in respect of your accommodation costs.
- 9.3 You shall have such other benefits as may be made available to you by the Company from time to time, including but not limited to the use of Reuters products, mobile telephone and other equipment and membership of professional bodies.
- 9.4 During the Employment Period, the Company shall reimburse your reasonable personal financial and tax planning and preparation and filing expenses.

9.5 Following the termination of the Employment for any reason, the Company shall reimburse you (or your estate or beneficiaries) for all reasonable expenses incurred by you (or your family in the event of your death or incapacity) to relocate from your new location to anywhere in the United States.

SCHEDULE 2

**COMPETING BUSINESS CONCERNS
AS AT THE DATE OF THIS AGREEMENT**

Part 1

Competing Business Concerns as at the date of this Agreement

Bloomberg L.P.

Pearson PLC

Quick Corporation of Japan

Telekurs A.G.

The Electronic Broking Service

Moneyline Telerate

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation

The McGraw Hill Companies

The Dun & Bradstreet Corporation

Reed Elsevier P.L.C./Elsevier N.V.

AOL TimeWarner

Part 3

Companies with which Reuters has Strategic Relationships

Yahoo! Inc.

SCHEDULE 3

**PERMITTED SHAREHOLDINGS
AS AT THE DATE OF THIS AGREEMENT**

SDK Investments, LLC

Dawntreader Fund I LP

Conversagent Inc.

Visible World Inc.

SIGNED by)
for and on behalf of)
REUTERS GROUP PLC) /s/ CHRIS HOGG
in the presence of:- /s/ ROSEMARY E S MARTIN)

SIGNED as a **DEED**)
and **DELIVERED** by)
THOMAS HENRY GLOCER) /s/ THOMAS HENRY GLOCER
in the presence of :- /s/ JANE K WELCH)



21 June 2001

REUTERS GROUP PLC

DAVID GRIGSON

SERVICE AGREEMENT

TABLE OF CONTENTS

	Page
1. Definitions	1
2. Duration of employment	1
3. Role, Powers and Duties	1
4. Normal Place of Work	2
5. Hours of Work	2
6. Salary and Benefits	2
7. Expenses	3
8. Other Interests	3
9. Inventions and Improvements	4
10. Confidentiality	5
11. Statutory Provisions	6
12. Termination	6
13. Garden Leave and Suspension	10
14. Continuing Obligations	10
15. Waiver	12
16. Amendments	12
17. Notices	12
18. Other Agreements	13
19. Governing Law	13
20. Withholding Taxes	13
SCHEDULE 1: Other Benefits	14
SCHEDULE 2: Additional Statutory Provisions	17
SCHEDULE 3: Competing Business Concerns	19

THIS AGREEMENT is made on 21st June 2001

BETWEEN

- (1) **REUTERS GROUP PLC** registered in England with No. 3296375 whose registered office is at 85 Fleet Street, London, EC4P 4AJ (the **Company**); and
- (2) **DAVID GRIGSON** of Bainton Farmhouse, Bainton, Stamford, Lincolnshire PE9 3AF (**you**).

IT IS AGREED as follows:

DEFINITIONS

1. In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of Reuters Group PLC or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985). **Group Company** and **Group Companies** shall be construed accordingly; and

Remuneration Committee means the remuneration committee of the Board.

DURATION OF EMPLOYMENT

2. The Employment will begin on 1 August 2000 and will continue until terminated in accordance with Clause 12 below.

ROLE, POWERS AND DUTIES

- 3.1 You will serve the Company as Finance Director (Chief Financial Officer) or in such other capacity of a like status as the Company may require.
 - 3.2 Subject to Clause 4, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are appropriate to your senior status, as may be assigned to you by the Chief Executive of the Company after taking into account the opinion of the Board.
 - 3.3 During the Employment you will:
 - (a) devote substantially the whole of your working time, attention and abilities to carrying out those duties in a proper, loyal and efficient manner;
-

- (b) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (c) have due regard to the Reuters Trust Principles and to the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles, of Association of the Company and the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuters Trust Principles are capable of being observed by you;
- (d) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (e) comply with the Reuters Share Dealings Code (as notified to you from time to time); and
- (f) have due regard to the provisions of all other policies which are applied to you by the Company, as notified to you from time to time.

3.4 You are entitled to take independent professional advice, at the expense of the Company, where such advice is reasonably required for the furtherance of your duties as a director of the Company and provided that before taking such advice you obtain the written consent of one other director and send a copy of such consent to the Company Secretary and that the Company's expenditure on such advice does not exceed £50,000 per annum.

NORMAL PLACE OF WORK

4. Your normal place of work is at the Company's head office. You may be required, in the performance of your duties, to travel in the United Kingdom and overseas. However, having given you reasonable notice, the Company may reasonably require you to perform your duties at the offices of another Group Company in a major financial centre outside the United Kingdom, such as New York, in which case you shall be offered expatriate benefits appropriate to your senior status.

HOURS OF WORK

5. You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

SALARY AND BENEFITS

6.1 You will be paid a salary at such rate as is set out in an annual letter to you from the Company and as confirmed in your annual statement of remuneration and benefits.

- 6.2 Your salary will accrue from day to day and be payable in arrears by equal monthly instalments on or about the fifteenth day of each month.
- 6.3 You are not entitled to any other salary or fees as director or employee of the Company or any other Group Company and you must, as the Company directs, either waive your rights to any such salary or fees or account for the same to the Company (failing which it will be deducted from your salary).
- 6.4 Your salary and benefits will be reviewed annually by the Remuneration Committee. Any change in the level of your salary and benefits as a result of the review (which will not be downwards) will be effective from 1 January of the year following the review (unless you and the Chairman of the Remuneration Committee agree otherwise).
- 6.5 In addition to the above, you will be entitled to receive those benefits set out in Schedule 1 to this Agreement.
- 6.6 During or after the termination of the Employment for whatever reason, the Company may deduct from your pay any sums outstanding to the Company or to any other Group Company, from you including, without limitation, any advance of pay or loans or floats for expenses.

EXPENSES

7. Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses (including first class travel expenses) properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

OTHER INTERESTS

- 8.1 During the Employment you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:
- (a) the prior written consent of the Chief Executive of the Company (such consent to be confirmed by the Board); and
 - (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director provided they are paid in cash rather than in stock, other securities or options. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any time during the Employment the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;
- (c) by virtue of your being interested in securities not representing more than one per cent. of a company's issued securities of any class which are either (i) listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised inter-dealer quotation system or (ii) of a private company whose shares the Chief Executive of the Company has authorised you to hold; or
- (d) with the prior written consent of the Board.

8.3 You may serve on the board of religious, charitable or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and
- (b) promptly to give to the Company Secretary of the Company full details of any invention or improvement which you may from time to time make or discover in the course of your duties.

Subject to the Patents Act 1977, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent that those rights will immediately upon the completion of the relevant work vest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection or any application for a patent or protection.

9.5 You will not either during or after the termination of the Employment exploit or assist others to exploit any invention or improvement which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) which are the subject of copyright made by you in the course of the Employment.

CONFIDENTIALITY

10.1 During and after the termination of the Employment you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order to properly discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:

- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costing, budgets, turnover, sales targets and other financial information);
- (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
- (c) details and terms of the Agreements with suppliers and customers of the Company or of any other Group Companies;
- (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and

(e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.

10.2 These restrictions shall not apply to any disclosure or use authorised by the Board or required by law or by the requirements of any regulatory or other authority to which the Company or any other Group Company is subject.

10.3 These restrictions shall not apply to information which is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment.

STATUTORY PROVISIONS

11. Additional provisions, details of which the Company is required by statute to provide you, are set out in Schedule 2 to this Agreement.

TERMINATION

Summary termination

12.1 The Company may terminate the Employment by immediate notice in writing and without payment of any kind other than salary and bonus accrued at the date of termination:

(a) if in the reasonable opinion of the Board you are guilty of any:

(i) serious misconduct;

(ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board; or

(b) if you commit any material breach of any material provision of this Agreement;

(c) if you neglect or refuse to carry out any material part of your duties (other than for a reason mentioned in Clause 12.2);

(d) if you engage in any conduct which brings or is likely to bring the Company or any other Group Companies, in the reasonable opinion of the Board, into disrepute;

(e) if you become bankrupt or enter into a composition with your creditors or apply for a receiving order or have a receiving order made against you;

- (f) if you become prohibited by law from being a director; or
- (g) if you terminate your directorship of the Company without the consent of the Board.

Termination by the Company through illness

12.2 The Company may terminate the Employment if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of 24 consecutive calendar months. The Company will not terminate the Employment pursuant to this Clause 12.2 if, as a result, you would or may forfeit any entitlement to benefits under the permanent health insurance scheme referred to in Schedule 1 unless it has used all reasonable endeavours to try to procure the continuation of cover under that scheme.

Termination through loss of directorship

12.3 If you are removed from the office of director of the Company, or the Company fails in general meeting to re-elect you as a director of the Company (if, under the Articles of Association or other constitutional documents for the time being of the Company as the case may be, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement.

Termination on change of control

12.4 Notwithstanding the provisions of Clause 12.5, you may terminate the Employment by giving the Company one month's notice in writing, such notice to be given within three months after a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company has agreed to adopt the Reuters Trust Principles and the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company. A Change of Control shall for the purpose of this Agreement occur where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company.

Termination in other circumstances

12.5 Subject to earlier termination in accordance with the provisions of this Clause, the Employment will continue until terminated:

- (a) by the Company giving you 12 months' written notice; or
- (b) by you giving the Company 12 months' written notice,

such notice to expire not earlier than 1 August 2002.

The Company may, in its sole discretion, elect to terminate the Employment before 1 August 2002 and/or without giving you notice or the full period of notice required by 12.5 (a) in which event you will be entitled to receive a payment calculated in accordance with Clause 12.6.

Liquidated damages

12.6 This Clause applies if:

- (a) the Employment is terminated by the Company otherwise than a termination (i) in accordance with Clause 12.1 or (ii) where removal from office takes place in circumstances justifying summary termination under Clause 12.1, in accordance with Clause 12.3 or (iii) in accordance with Clause 12.5 unless the final sentence of Clause 12.5 applies in which case this Clause will apply;
- (b) you are constructively dismissed which for these purposes shall include (without limitation):
 - (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities; or
 - (ii) any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you; or
- (c) you terminate the Employment under Clause 12.4.

Where this Clause applies, the Company will (subject to the remainder of this Clause) pay to you by way of liquidated damages: (1) if the termination occurs prior to 1 August 2001 an amount equal to 2A-B and (2) if the termination occurs on or after 1 August 2001 an amount equal to A

where A is the aggregate of:

- (i) your annual salary immediately prior to the date of termination of the Employment;

(ii) the amount of pension contributions made by the Company on your behalf or to you in the last financial year of the Company preceding the date of termination; and

(iii) the average of the last three annual bonuses earned by you pursuant to paragraph 1 of Schedule 1 to this Agreement in the last three complete financial years of the Company preceding the date of termination.

and B is the amount of salary, pension contributions and (if applicable) bonus paid to you or on your behalf whilst your Employment subsisted.

In relation to (iii) above, where there have been fewer than three complete financial years of the Company during the Employment, the averaging shall be by reference to the number of complete financial years which there have been during the Employment. Where there has been less than one complete financial year of the Company during the Employment, (iii) above shall be determined on the basis of the annualised bonus earned by you for the period of the Employment or, if for any reason that is unascertainable, on the basis of the bonus earned by the predecessor Finance Director of the Company in 1999.

In the event that the Company requires you to work only part of the notice period required by Clause 12.5 (a), the liquidated damages payment under this Clause 12.6 will be reduced by an amount equal to the salary, pension contributions and (if applicable) bonus paid to you or on your behalf in respect of the period of notice worked.

In the event that the Employment is terminated in accordance with Clause 12.2, liquidated damages payment under this Clause 12.6 will be reduced by an amount equal to the amount of any benefit payable under the permanent health insurance scheme referred to in Schedule 1, if termination occurs prior to 1 August 2001 for the period to 1 August 2002 and if termination occurs on or after 1 August 2001 for the period of 12 months following the date of termination.

The payment will be conditional on you not bringing any claims before a court or tribunal relating to the Employment and/or its termination. The payment will be made in two stages. The total amount, less a deduction of £60,000, will be paid within 14 days of the end of the Employment and the remaining balance of £60,000 will be paid within four months of the end of the Employment, in each case less any necessary withholdings. You agree to accept the same in full and final settlement of all and any claims or rights of action that you have or may have against the Company and against any other Group Company and against their respective officers and employees in connection with the Employment or its termination.

Return of documents

12.7 On termination of the Employment for any reason or, at the request of the Company, when notice to terminate the Employment is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
- (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded, in your possession or under your control.

Resignation as a director

12.8 On termination of the Employment for any reason, you must immediately, at the request of the Company resign your office as a director of the Company and of any other Group Company without compensation for loss of office but without prejudice to any rights which you may have to treat such request as a breach of this Agreement.

Share schemes

12.9 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. If, on termination of the Employment, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment not been terminated) you shall not be entitled, by way of compensation for loss of office or otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

GARDEN LEAVE AND SUSPENSION

13.1 The Company may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company:

- (a) during any period of notice or any part of a period of notice as specified in Clauses 12.4 or 12.5; or
- (b) in circumstances in which the Company reasonably believes that you are guilty of misconduct or are in breach of this Agreement and in order that the circumstances giving rise to that belief may be investigated.

13.2 The Company is not required to give any reason for suspending or excluding you. Your salary and benefits will not cease to be payable by reason only of such suspension or exclusion.

13.3 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chief Executive of the Company.

CONTINUING OBLIGATIONS

Non-representation

14.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company or as a director of the Company).

Non-solicitation of employees

14.2 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or
- (b) you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

14.3 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business or custom of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-dealing

14.4 You must not for a period of six months after the termination of the Employment deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-competition

14.5 You must not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 3 to this Agreement. Unless you have the prior approval of the Chairman and the Chief Executive of the Company you may not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 3 of this Agreement. The lists in Schedule 3 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 3 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

14.6 The obligations imposed on you by this Clause 14 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

14.7 The restrictions contained in this Clause 14 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

14.8 Each party agrees during, and after termination of, the Employment not to make, publish or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants, provided that nothing in this Agreement will prevent you or the Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

WAIVER

15. Any delay or forbearance by the Company in exercising any right of determination of this Agreement shall not constitute a waiver of it.

AMENDMENTS

16. No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a director or the Company Secretary of the Company.

NOTICES

17. Any notice required to be served under this Agreement may be given either personally, by fax or by registered post:

- (a) to the Company at its registered office for the time being; or
- (b) to you at the address at the start of this Agreement or your last known address.

Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at your usual or last known address; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at your usual or last known address and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

OTHER AGREEMENTS

18. You acknowledge and warrant that there are no Agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than those which are expressly set out in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement.

GOVERNING LAW

19. This Agreement will be governed by and construed under English law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

WITHHOLDING TAX

20. All amounts payable to you under this Agreement shall be subject to applicable withholding of income, salary and such other withholdings that the Company determines are required to be withheld in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

SCHEDULE 1

OTHER BENEFITS

BONUS

1. You will be entitled to participate in an annual bonus plan to be administered by the Remuneration Committee. Unless otherwise agreed by the Remuneration Committee, the maximum annual bonus payable under this plan will be an amount up to 70% of your base salary (from 1 July 2001, 100% of your base salary). The criteria relating to your performance and that of the Company which are to be used to determine the amount of the bonus in any year will be laid down by the Remuneration Committee at the commencement of each year and the bonus for that year will be paid as soon as reasonably practicable after the relevant results have been determined. The Remuneration Committee reserves the right to amend the quantitative criteria annually and/or to discontinue the bonus arrangement. On termination of the Employment, other than termination pursuant to Clause 12.1 or termination in respect of which Clause 12.6 applies, you shall be entitled to a pro-rated amount of bonus, being such proportion of average bonus (calculated according to Clause 12.6(iii)) as is the same as the proportion of the last financial year during which the Employment has subsisted.

SHARE OPTION PLANS

2.1 You will be eligible for membership of the Company's Save As You Earn Share Option Scheme and of any other all employee share option plan operated by the Company and approved by the Company's shareholders. Participation in such scheme and plans is, save as otherwise stipulated in their rules, at the sole discretion of the Board or the Remuneration Committee.

2.2 If you are relocated to a country outside the United Kingdom, you are entitled to participate in any equivalent scheme or plan operated by a Group Company in that country.

HOLIDAYS

3.1 The Company's holiday year runs from 1 January to 31 December. In addition to the bank and other public holidays, you will be entitled to 30 working days' paid holiday in each holiday year. In the first year of the Employment, the annual entitlement will be pro rata based on the holiday year.

3.2 Your annual holiday may be taken at such time or times as are reasonably appropriate having regard to the business needs of the Company.

3.3 Holidays not taken in the year of entitlement will be lost unless carried forward with the agreement of the Chief Executive of the Company.

3.4 On termination of the Employment, you will be entitled to pay in lieu of any unpaid holiday or be required to pay the Company any salary received for holiday taken in excess of your contractual entitlement. You may be required to take any untaken holiday during your notice period.

PENSION SCHEMES

- 4.1 You are entitled to join the Reuters UK Retirement Plan subject to the trust deed and rules of the scheme from time to time in force.
- 4.2 Subject to any limits imposed by the Inland Revenue from time to time, the Company will pay contributions to the Company pension scheme as set out in your annual statement of remuneration and benefits.
- 4.3 A contracting out certificate is in force in respect of the Employment.
- 4.4 In addition the Company will contribute 20% of your base salary above the pensions cap imposed by the Inland Revenue from time to time (such contribution to be taxable) to an appropriate retirement benefit scheme of your choice.

LONG TERM INCENTIVE PLAN

5. You are entitled to be a member of the Reuters Group PLC Long Term Incentive Plan or any plan operated by the Company in succession to that plan (as notified to you from time to time) for so long as the Plan or such plan may be operated by the Company, and the Company shall pay to you benefits under the Plan or such plan, subject to the conditions of the Company's policy on retention of LTIP awards on early retirement (as notified to you from time to time).

DISABILITY INSURANCE

6. You shall be entitled to membership of, and the Company shall pay to you benefits under, the Company's disability insurance scheme, subject to the terms of that scheme and of any related policy of insurance as in force from time to time.

LIFE ASSURANCE AND PERMANENT HEALTH SCHEME

- 7.1 The Company will provide life assurance to you in addition to that provided under the Reuters UK Retirement Plan so that in aggregate you are assured for the value of four times annual salary, subject to your being acceptable for insurance at rates normal for your age and subject to the rules of the relevant life assurance arrangements.
- 7.2 You (your spouse and any unmarried children under 21 (or under 24 if in full-time education)) are entitled to membership of the Company's permanent health insurance scheme subject to the rules of the scheme and of any related policy of insurance.
- 7.3 If you wish, as an alternative to membership of the Company's scheme, the Company will bear the costs of you being a member of another permanent health insurance scheme, up to the value of the benefits available to you under the Company's scheme.

7.4 You are entitled to receive an annual health check at a cost to the Company of no more than £500 (or as increased and notified to you from time to time).

COMPANY CAR

8. The Company will provide you with a car. (or cash in lieu if you so elect) in accordance with the terms of the Company's policy on executive directors' cars (as notified to you from time to time) for business and personal use and will bear the expenses of taxing, insuring, repairing and maintaining the car. You agree to comply in full with the Company's policy on executive directors' cars, failing which the Company may require you to return the car immediately.

CHAUFFEUR-DRIVEN CAR

9. You shall be entitled to the non-exclusive use of a chauffeur-driven car provided by the Company (subject to availability) at no cost to you for purposes reasonably connected with the Company's business or as otherwise approved by the Chief Executive of the Company.

DIRECTORS' INDEMNITY AND INSURANCE

10. You shall have the benefits of:

- (a) the indemnity contained in regulation 155 of the Company's Articles of Association;
- (b) any similar indemnity in respect of liabilities incurred by Group Company directors in their capacity as such contained in the constitutional documents of any other Group Company for so long as you are a director or officer of such other Group Company; and
- (c) (subject to their terms) any insurance policies which shall be maintained by the Company in respect of liabilities incurred by Group Company directors in their capacity as such.

OTHER BENEFITS

11. You shall have such other benefits as may be made available to you by the Company from time to time, including but not limited to the use of Reuters products, mobile telephone and other equipment and membership of professional bodies.

SCHEDULE 2

ADDITIONAL STATUTORY PROVISIONS

EMPLOYMENT RIGHTS ACT 1996

Additional particulars required to be disclosed:

CONTINUOUS EMPLOYMENT

1. The Employment is not continuous with any other period of employment with the Company or with any other Group Company.

INJURY AND SICKNESS PAY

2. If you are absent from work because of sickness or injury, you must:
 - (a) notify the Company as soon as possible on the first morning of absence and inform the Company of your expected date of return;
 - (b) complete and return to the Company a self-certification form in respect of the first five working days of any sickness absence;
 - (c) provide the Company with a medical certificate from your GP or other registered practitioner for periods of absence of seven days (including weekends) in excess and with medical certificates for each subsequent week of sickness absence;
 - (d) if requested by the Company, undergo a medical examination at the expense of the Company with a medical practitioner nominated by the Company; and
 - (e) if requested by the Company give written permission to the Company to have access to any medical or health report in its complete form prepared by any health professional on your physical or mental condition.

Subject to the above, you will be entitled at the discretion of the Company to up to 365 days' sick pay (including statutory sick pay) in any 24 month rolling period. Sick pay will be calculated at your normal rate of pay and benefits.

DISCIPLINARY RULES AND GRIEVANCE PROCEDURE

If at any time you have a grievance relating to the Employment, you may seek redress orally or in writing by, in the first instance, referring the grievance to the Chairman of the Board. If the grievance remains unresolved, you may appeal to the Board and the Board shall deal with the matter by discussion and by majority decision of those present at the relevant meeting of the Board. The Board's decision shall be final and binding.

COLLECTIVE AGREEMENTS

4. There are no collective agreements with trade unions which directly affect your terms and conditions.

SCHEDULE 3

**COMPETING BUSINESS CONCERNS
AS AT THE DATE OF THIS AGREEMENT**

Part 1

Competing Business Concerns

Bloomberg L.P.

Pearson PLC

Quick Corporation of Japan

AOL Time Warner

Telekurs A.G.

SunGard

The Electronic Broking Service

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation

The McGraw Hill Companies

The Dun & Bradstreet Corporation

Reed Elsevier P.L.C./Elsevier N.V.

Part 3

Companies with which Reuters has strategic relationships

Multex.com, Inc.

Yahoo! Inc.

SIGNED by)
for and on behalf of)
REUTERS GROUP PLC) /s/ CHRIS HOGG
in the presence of:-)

SIGNED as a **DEED**)
and **DELIVERED** by)
DAVID GRIGSON) /s/ DAVID GRIGSON
in the presence of:-)

CONFIDENTIAL AND PERSONAL

David Grigson
Bainton Farmhouse,
Bainton,
Stamford,
Lincolnshire,
PE9 3AF

3 March 2004

Dear David

Director's Service Contract

As you are aware, Schedule 3 of your service contract with Reuters Group PLC (**Reuters**) sets out a list of competitor companies in respect of which you will either be restricted from being employed for a twelve month period following the cessation of your employment with Reuters or where you will need to obtain the consent of the Chairman or Chief Executive prior to commencing any such employment.

Clause 14.5 of your service agreement permits Reuters to review this list and to make amendments to it from time to time. Such a review has taken place and therefore the purpose of this letter is to inform you of the following changes to Schedule 3:

- (a) Moneyline Telerate has been added to Part 1 of Schedule 3; and
- (b) AOL Time Warner (formerly in Part 1 of Schedule 3) is now included in Part 2 of Schedule 3.

Please accept this letter as notification of the change to your service contract as noted above. Except as provided in this letter, all other provisions of your service contract remain unaltered and in force.

Yours sincerely

/s/ **Sir Christopher Hogg**
Chairman

3 MARCH 2004

REUTERS GROUP PLC

DEVIN WENIG

SERVICE AGREEMENT



TABLE OF CONTENTS

	Page
1 DEFINITIONS	1
2 DURATION OF EMPLOYMENT	1
3 ROLE, POWERS AND DUTIES	1
4 NORMAL PLACE OF WORK	2
5 HOURS OF WORK	2
6 FEE	2
7 EXPENSES	3
8 OTHER INTERESTS	3
9 INVENTIONS AND IMPROVEMENTS	4
10 CONFIDENTIALITY	5
11 TERMINATION	6
12 GARDEN LEAVE AND SUSPENSION	9
13 CONTINUING OBLIGATIONS	10
14 WAIVER	12
15 AMENDMENTS	12
16 NOTICES	12
17 OTHER AGREEMENTS	13
18 GOVERNING LAW	13
19 WITHHOLDING TAX	13
 SCHEDULE 1	 14
 OTHER BENEFITS	 14
 SCHEDULE 2	 15
 COMPETING BUSINESS CONCERNS	 15
 AS AT THE DATE OF THIS AGREEMENT	 15

THIS AGREEMENT is made on 3 MARCH 2004

BETWEEN

- (1) **REUTERS GROUP PLC** registered in England with No. 3296375 whose registered office is at 85 Fleet Street, London, EC4P 4AJ (the **Company**); and
- (2) **DEVIN NORSE WENIG** of #4F 27 North Moore, New York, NY 10013 (**you**).

IT IS AGREED as follows:

1. DEFINITIONS

In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of Reuters Group PLC or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985). **Group Company** and **Group Companies** shall be construed accordingly; and

Remuneration Committee means the remuneration committee of the Board.

2. DURATION OF EMPLOYMENT

2.1 The Employment began on 17 February 2003 and will continue until terminated in accordance with Clause 11 below.

3. ROLE, POWERS AND DUTIES

3.1 You will serve the Company as Executive Director or in such other capacity of a like status as the Company may require.

3.2 Subject to Clause 4, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are appropriate to your senior status, as may be assigned to you by the Chief Executive of the Company after taking into account the opinion of the Board.

3.3 During the Employment you will:

- (a) devote substantially the whole of your working time, attention and abilities to carrying out those duties and , where appropriate, duties in any other Group Company in a proper, loyal and efficient manner;
-

- (b) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (c) have due regard to the Reuters Trust Principles and to the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuters Trust Principles are capable of being observed by you;
- (d) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (e) comply with the Reuters Share Dealings Code (as notified to you from time to time); and
- (f) have due regard to the provisions of all other policies which are applied to you by the Company, as notified to you from time to time.

3.4 You are entitled to take independent professional advice, at the expense of the Company, where such advice is reasonably required for the furtherance of your duties as a director of the Company and provided that before taking such advice you obtain the written consent of one other director and send a copy of such consent to the Company Secretary and that the Company's expenditure on such advice does not exceed £50,000 per annum.

4. NORMAL PLACE OF WORK

4.1 Your normal place of work is at the head office of Reuters America, 3 Times Square, New York. You may be required, in the performance of your duties, to travel both domestically and internationally

5. HOURS OF WORK

5.1 You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

6. FEE

6.1 You will be paid a fee at such rate as is set out in an annual letter to you from the Company.

6.2 Your fee will accrue from day to day and be payable in monthly instalments on or around the 15th of each month.

6.3 You are not entitled to any other fees as director of the Company or any other Group Company and you must, as the Company directs, either waive your rights to any such fees or account for the same to the Company, (failing which it will be deducted from your salary). Nothing in this Clause 6.3 shall affect your entitlement to receive a salary and employee related benefits in respect of your employment with Reuters America Inc as President of Customer Segments or in any position to which you are subsequently appointed.

7. EXPENSES

7.1 Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

8. OTHER INTERESTS

8.1 During the Employment you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:

- (a) the prior written consent of the Chief Executive of the Company (such consent to be confirmed by the Board); and
- (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director provided they are paid in cash rather than in stock, other securities or options. For the avoidance of doubt, you will not be permitted to retain any fees received as a non-executive director of any Group Company or Associated Company. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any time during the Employment the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;

- (c) by virtue of your being interested in securities not representing more than one per cent. of a company's issued securities of any class which are either (i) listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised inter-dealer quotation system or (ii) of a private company whose shares the Chief Executive of the Company has authorised you to hold; or
- (d) with the prior written consent of the Board.

8.3 You may serve on the board of religious, charitable or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

9. INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and
- (b) promptly to give to the Company Secretary of the Company full details of any invention or improvement which you may from time to time make or discover in the course of your duties.

Subject to the Patents Act 1977, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent that those rights will immediately upon the completion of the relevant work vest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection or any application for a patent or protection.

9.5 You will not either during or after the termination of the Employment and any other employment within the Group, exploit or assist others to exploit any invention or improvement which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose

any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) which are the subject of copyright made by you in the course of the Employment and any other employment within the Group.

10. CONFIDENTIALITY

10.1 During and after the termination of the Employment and any other employment within the Group, you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order to properly discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:

- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costing, budgets, turnover, sales targets and other financial information);
- (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
- (c) details and terms of the Agreements with suppliers and customers of the Company or of any other Group Companies;
- (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and
- (e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.

10.2 These restrictions shall not apply to any disclosure or use authorised by the Board or required by law or by the requirements of any regulatory or other authority to which the Company or any other Group Company is subject.

10.3 These restrictions shall not apply to information that is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment and any other employment within the Group.

11. TERMINATION

Summary termination

11.1 The Company may terminate the Employment and any other employment within the Group, by immediate notice in writing and without payment of any kind other than salary and bonus accrued at the date of termination:

- (a) if in the reasonable opinion of the Board you are guilty of any:
 - (i) serious misconduct;
 - (ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board; or
- (b) if you commit any material breach of any material provision of this Agreement;
- (c) if you neglect or refuse to carry out any material part of your duties (other than for a reason mentioned in Clause 11.2);
- (d) if you engage in any conduct which brings or is likely to bring the Company or any other Group Companies, in the reasonable opinion of the Board, into disrepute;
- (e) if you become bankrupt or enter into a composition with your creditors or apply for a receiving order or have a receiving order made against you;
- (f) if you become prohibited by law from being a director; or
- (g) if you terminate your directorship of the Company without the consent of the Board.

Termination by the Company through illness

11.2 The Company may terminate the Employment and any other employment within the Group, if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of 24 consecutive calendar months. Termination through loss of directorship

11.3 If you are removed from the office of director of the Company, or the Company fails in general meeting to re-elect you as a director of the Company (if,

under the Articles of Association or other constitutional documents for the time being of the Company as the case may be, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment, and any other employment within the Group, shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement.

Termination on change of control

11.4 Notwithstanding the provisions of Clause 11.5, you may terminate the Employment and any other employment within the Group, by giving the Company one month's notice in writing, such notice to be given within three months after a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company has agreed to adopt the Reuters Trust Principles and the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company. A Change of Control shall for the purpose of this Agreement occur where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company

Termination in other circumstances

11.5 Subject to earlier termination in accordance with the provisions of this Clause, the Employment and any other employment within the Group, will continue until terminated:

- (a) by the Company giving you 12 months' written notice; or
- (b) by you giving the Company 12 months' written notice.

The Company may, in its sole discretion, elect to terminate the Employment and any other employment within the Group, without giving you notice or the full period of notice required by (a) in which event you will be entitled to receive a payment calculated in accordance with Clause 11.6.

Liquidated damages

11.6 This Clause applies if:

- (a) the Employment and any other employment within the Group, is terminated by the Company otherwise than a termination (i) in accordance with Clause 11.1 or (ii) where removal from office takes place in circumstances justifying summary termination under Clause 11.1, in accordance with Clause 11.3 or (iii) in accordance with Clause 11.5 unless the final sentence of Clause 11.5 applies in which case this Clause will apply;
- (b) you are constructively dismissed which for these purposes shall include (without limitation):
 - (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities; or
 - (ii) any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you; or
- (c) you terminate the Employment and any other employment within the Group, under Clause 11.4.

Where this Clause applies, the Company will (subject to the remainder of this Clause) pay to you by way of liquidated damages of your annual fee immediately prior to the date of termination of the Employment;

In the event that the Company requires you to work only part of the notice period required by Clause 11.5(a), the liquidated damages payment under this Clause 11.6 will be reduced by an amount equal to the annual fee paid to you or on your behalf in respect of the period of notice worked.

The payment under this Clause 11.6 shall be in full and final settlement of all and any claims or rights of action that you have or may have against the Company and against any other Group Company and against their respective officers and employees in connection with the Employment or its termination.

The payment under this Clause 11.6 shall be paid in advance in four equal quarterly instalments (in each case less any necessary withholdings) from the date of termination of your Employment. No further instalment will be payable after the date on which you commence alternative employment at a basic annual salary of or in excess of 50% of your basic annual salary at the date of termination. Payment will be conditional on you not bringing any claims before a court or tribunal relating to the Employment and any other employment within the Group, and/or its termination.

Return of documents

11.7 On termination of the Employment and any other employment within the Group, for any reason or, at the request of the Company, when notice to terminate the Employment and any other employment within the Group, is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
 - (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded,
- in your possession or under your control.

Resignation as a director

11.8 On termination of the Employment for any reason, you must immediately, at the request of the Company resign your office as a director of the Company and of any other Group Company or Associated Company without compensation for loss of office but without prejudice to any rights which you may have to treat such request as a breach of this Agreement.

Share schemes

11.9 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. If, on termination of the Employment and any other employment within the Group,, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment and any other employment within the Group, not been terminated) you shall not be entitled, by way of compensation for loss of office or otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

12. GARDEN LEAVE AND SUSPENSION

12.1 The Company may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company:

- (a) during any period of notice or any part of a period of notice as specified in Clauses 11.4 or 11.5; or
- (b) in circumstances in which the Company reasonably believes that you are guilty of misconduct or are in breach of this Agreement and in order that the circumstances giving rise to that belief may be investigated.

12.2 The Company is not required to give any reason for suspending or excluding you. Your fee will not cease to be payable by reason only of such suspension or exclusion.

12.3 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chief Executive of the Company.

12.4 The provisions of Clause 8.2 shall remain in full force and effect during any period of suspension under this Clause 12. You will also continue to be bound by duties of good faith and fidelity to the Company during any period of suspension under this Clause 12.

13. CONTINUING OBLIGATIONS

Non-representation

13.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company, an employee of a Group Company or as a director of the Company).

Non-solicitation of employees

13.2 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you or about whom you became informed, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or
- (b) you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

13.3 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business or custom of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company

or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-dealing

13.4 You must not for a period of 12 months after the termination of the Employment (except, if it is the case as an employee of a Group Company) deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-competition

13.5 You must not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 2 to this Agreement. Unless you have the prior approval of the Chairman and the Chief Executive of the Company you may not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 2 of this Agreement. The lists in Schedule 2 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 2 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

13.6 The obligations imposed on you by this Clause 13 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

13.7 The restrictions contained in this Clause 13 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent

and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

13.8 Each party agrees during, and after termination of, the Employment not to make, publish or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants, provided that nothing in this Agreement will prevent you or the Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

14. WAIVER

14.1 Any delay or forbearance by the Company in exercising any right of determination of this Agreement shall not constitute a waiver of it.

15. AMENDMENTS

15.1 No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a director or the Company Secretary of the Company.

16. NOTICES

16.1 Any notice required to be served under this Agreement may be given either personally, by fax or by registered post:

- (a) to the Company at its registered office for the time being; or
- (b) to you at the address at the start of this Agreement or your last known address.

Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at your usual or last known address; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at your usual or last known address and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

17. OTHER AGREEMENTS

17.1 You acknowledge and warrant that there are no Agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than those which are expressly set out in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement. For the purposes of this Clause 17.1, this acknowledgement and warranty will not apply to the terms of your Service Agreement with Reuters America Inc dated June 2003.

18. GOVERNING LAW

18.1 This Agreement will be governed by and construed under English law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Agreement.

19. WITHHOLDING TAX

19.1 All amounts payable to you under this Agreement shall be subject to applicable withholding of income, salary and such other withholdings that the Company determines are required to be withheld in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

SCHEDULE 1
OTHER BENEFITS

None

SCHEDULE 2

**COMPETING BUSINESS CONCERNS
AS AT THE DATE OF THIS AGREEMENT**

Part 1

Competing Business Concerns

Bloomberg L.P.

Pearson PLC

Quick Corporation of Japan

Telekurs A.G.

SunGard

The Electronic Broking Service

Moneyline Telerate

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation

The McGraw Hill Companies

The Dun & Bradstreet Corporation

Reed Elsevier P.L.C./Elsevier N.V.

AOL Time Warner

Part 3

Companies with which Reuters has a strategic relationship

Yahoo! Inc.

SIGNED by)
for and on behalf of)
REUTERS GROUP PLC) /s/ CHRIS HOGG
in the presence of:-)

SIGNED as a **DEED**)
and **DELIVERED** by)
DEVIN WENIG) /s/ DEVIN WENIG
in the presence of :-)

3 MARCH 2004

REUTERS AMERICA LLC

DEVIN WENIG

SERVICE AGREEMENT

TABLE OF CONTENTS

	Page
<u>1. DEFINITIONS</u>	<u>1</u>
<u>2. DURATION OF EMPLOYMENT</u>	<u>1</u>
<u>3. ROLE, POWERS AND DUTIES</u>	<u>1</u>
<u>4. NORMAL PLACE OF WORK</u>	<u>2</u>
<u>5. HOURS OF WORK</u>	<u>2</u>
<u>6. SALARY AND BENEFITS</u>	<u>2</u>
<u>7. EXPENSES</u>	<u>3</u>
<u>8. OTHER INTERESTS</u>	<u>3</u>
<u>9. INVENTIONS AND IMPROVEMENTS</u>	<u>4</u>
<u>10. CONFIDENTIALITY</u>	<u>5</u>
<u>11. TERMINATION</u>	<u>6</u>
<u>12. GARDEN LEAVE AND SUSPENSION</u>	<u>10</u>
<u>13. CONTINUING OBLIGATIONS</u>	<u>10</u>
<u>14. WAIVER</u>	<u>12</u>
<u>15. AMENDMENTS</u>	<u>12</u>
<u>16. NOTICES</u>	<u>12</u>
<u>17. OTHER AGREEMENTS</u>	<u>13</u>
<u>18. GOVERNING LAW</u>	<u>13</u>
<u>19. WITHHOLDING TAX</u>	<u>13</u>
 <u>SCHEDULE 1</u>	 <u>14</u>
 <u>OTHER BENEFITS</u>	 <u>14</u>
 <u>1. BONUS</u>	 <u>14</u>
<u>2. SHARE OPTION PLANS</u>	<u>14</u>
<u>3. HOLIDAYS</u>	<u>14</u>
<u>4. SICKNESS AND OTHER INCAPACITY</u>	<u>15</u>
<u>5. PENSION SCHEMES</u>	<u>15</u>
<u>6. LONG TERM INCENTIVE PLAN</u>	<u>15</u>
<u>7. MEDICAL/ DISABILITY INSURANCE</u>	<u>15</u>
<u>8. LIFE ASSURANCE</u>	<u>15</u>
<u>9. COMPANY CAR</u>	<u>15</u>
<u>10. DIRECTORS' INDEMNITY AND INSURANCE</u>	<u>15</u>
<u>11. OTHER BENEFITS</u>	<u>16</u>
 <u>SCHEDULE 2</u>	 <u>17</u>
 <u>COMPETING BUSINESS CONCERNS</u>	 <u>17</u>
 <u>AS AT THE DATE OF THIS AGREEMENT</u>	 <u>17</u>

THIS AGREEMENT is made on 3 MARCH 2004

BETWEEN

- (1) **REUTERS AMERICA LLC**, whose registered office is at 3 Times Square, New York, NY 10036 (the *Company*); and
- (2) **DEVIN NORSE WENIG** of #4F 27 North Moore, New York, NY 10013 (*you*).

IT IS AGREED as follows:

1. DEFINITIONS

In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of Reuters Group PLC or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985). **Group Company** and **Group Companies** shall be construed accordingly; and

Remuneration Committee means the remuneration committee of the Board.

2. DURATION OF EMPLOYMENT

2.1 The Employment began on 17 February 2003 and will continue until terminated in accordance with Clause 11 below.

2.2 The Employee's period of continuous employment for statutory purposes began on 25 April 1994.

3. ROLE, POWERS AND DUTIES

3.1 You will serve the Company as President of Customer Segments or in such other capacity of a like status as the Company may require.

3.2 Subject to Clause 4, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are appropriate to your senior status, as may be assigned to you by the Chief Executive of the Company after taking into account the opinion of the Board.

3.3 During the Employment you will:

- (a) devote substantially the whole of your working time, attention and abilities to carrying out those duties and , where appropriate, duties in any other Group Company in a proper, loyal and efficient manner;
- (b) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (c) have due regard to the Reuters Trust Principles and to the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuters Trust Principles are capable of being observed by you;
- (d) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (e) comply with the Reuters Share Dealings Code (as notified to you from time to time); and
- (f) have due regard to the provisions of all other policies which are applied to you by the Company, as notified to you from time to time.

4. NORMAL PLACE OF WORK

- 4.1 Your normal place of work is at the head office of Reuters America, 3 Times Square, New York. You will be required, in the performance of your duties, to travel both domestically and internationally, in particular in fulfilling your duties as Executive Director, which are specified under a separate but co-joined agreement.

5. HOURS OF WORK

- 5.1 You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

6. SALARY AND BENEFITS

- 6.1 You will be paid a salary at such rate as is set out in an annual letter to you from the Company.
- 6.2 Your salary will accrue from day to day and be payable in arrears by equal bimonthly instalments.
- 6.3 You are not entitled to any other fees as director of the Company or any other Group Company and you must, as the Company directs, either waive your rights to any such fees or account for the same to the Company, (failing which it will be

deducted from your salary). Nothing in this Clause 6.3 shall affect your entitlement to receive a fee in respect of your employment with Reuters Group plc as Executive Director.

- 6.4 Your salary and benefits will be reviewed annually by the Remuneration Committee. Any change in the level of your salary and benefits as a result of the review (which will not be downwards) will be effective from 1 January of the year following the review (unless you and the Chairman of the Remuneration Committee agree otherwise).
- 6.5 In addition to the above, you will be entitled to receive those benefits set out in Schedule 1 to this Agreement.
- 6.6 During or after the termination of this Employment for whatever reason, the Company may deduct from your pay any sums outstanding to the Company or to any other Group Company from you including, without limitation, any advance of pay or loans or floats for expenses.

7. EXPENSES

- 7.1 Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

8. OTHER INTERESTS

- 8.1 During the Employment you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:
- (a) the prior written consent of the Chief Executive of the Company (such consent to be confirmed by the Board); and
 - (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director provided they are paid in cash rather than in stock, other securities or options. For the avoidance of doubt, you will not be permitted to retain any fees received as a non-executive director of any Group Company or Associated Company. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any time during the Employment the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;
- (c) by virtue of your being interested in securities not representing more than one per cent. of a company's issued securities of any class which are either (i) listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised inter-dealer quotation system or (ii) of a private company whose shares the Chief Executive of the Company has authorised you to hold; or
- (d) with the prior written consent of the Board.

8.3 You may serve on the board of religious, charitable or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

9. INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and
- (b) promptly to give to the Company Secretary of the Company full details of any invention or improvement which you may from time to time make or discover in the course of your duties.

Subject to the Patents Act 1977, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent that those rights will immediately upon the completion of the relevant work vest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably

authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection or any application for a patent or protection.

9.5 You will not either during or after the termination of the Employment and any other employment within the Group, exploit or assist others to exploit any invention or improvement which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) which are the subject of copyright made by you in the course of the Employment and any other employment within the Group.

10. CONFIDENTIALITY

10.1 During and after the termination of the Employment and any other employment within the Group, you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order to properly discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:

- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costing, budgets, turnover, sales targets and other financial information);
- (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
- (c) details and terms of the Agreements with suppliers and customers of the Company or of any other Group Companies;
- (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and

- (e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.

10.2 These restrictions shall not apply to any disclosure or use authorised by the Board or required by law or by the requirements of any regulatory or other authority to which the Company or any other Group Company is subject.

10.3 These restrictions shall not apply to information that is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment and any other employment within the Group.

11. TERMINATION

Summary termination

11.1 The Company may terminate the Employment and any other employment within the Group, by immediate notice in writing and without payment of any kind other than salary and bonus accrued at the date of termination:

- (a) if in the reasonable opinion of the Board you are guilty of any:
 - (i) serious misconduct;
 - (ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board; or
- (b) if you commit any material breach of any material provision of this Agreement;
- (c) if you neglect or refuse to carry out any material part of your duties (other than for a reason mentioned in Clause 11.2);
- (d) if you engage in any conduct which brings or is likely to bring the Company or any other Group Companies, in the reasonable opinion of the Board, into disrepute;
- (e) if you become bankrupt or enter into a composition with your creditors or apply for a receiving order or have a receiving order made against you;
- (f) if you become prohibited by law from being a director; or
- (g) if you terminate your directorship of the Company without the consent of the Board.

Termination by the Company through illness

11.2 The Company may terminate the Employment and any other employment within the Group, if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of 24 consecutive calendar months.

Termination through loss of directorship

11.3 If you are removed from the office of director of Reuters Group plc, or Reuters Group plc fails in general meeting to re-elect you as a director of the Reuters Group plc (if, under the Articles of Association or other constitutional documents for the time being of Reuters Group plc as the case may be, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment, and any other employment within the Group, shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement.

Termination on change of control

11.4 Notwithstanding the provisions of Clause 11.5, you may terminate the Employment and any other employment within the Group, by giving the Company one month's notice in writing, such notice to be given within three months after a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company has agreed to adopt the Reuters Trust Principles and the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company. A Change of Control shall for the purpose of this Agreement occur where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company.

Termination in other circumstances

11.5 Subject to earlier termination in accordance with the provisions of this Clause, the Employment and any other employment within the Group, will continue until terminated:

- (a) by the Company giving you 12 months' written notice; or
- (b) by you giving the Company 12 months' written notice.

The Company may, in its sole discretion, elect to terminate the Employment and any other employment within the Group, without giving you notice or the full period of notice required by (a) in which event you will be entitled to receive a payment calculated in accordance with Clause 11.6.

Liquidated damages

11.6 This Clause applies if:

- (a) the Employment is terminated by the Company otherwise than a termination (i) in accordance with Clause 11.1 or (ii) where removal from office takes place in circumstances justifying summary termination under Clause 11.1, in accordance with Clause 11.3 or (iii) in accordance with Clause 11.5 unless the final sentence of Clause 11.5 applies in which case this Clause will apply;
- (b) you are constructively dismissed which for these purposes shall include (without limitation):
 - (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities; or
 - (ii) any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you; or
- (c) you terminate the Employment and any other employment within the Group, under Clause 11.4.

Where this Clause applies, the Company will (subject to the remainder of this Clause) pay to you by way of liquidated damages of:

- (i) your annual salary immediately prior to the date of termination of the Employment; and
- (ii) the amount of pension or retirement plan contributions made by the Company on your behalf or to you in the last financial year of the company preceding the date of termination; and
- (iii) the average of the last three annual bonuses earned by you pursuant to paragraph 1 of Schedule 1 to this Agreement in the last three complete financial years of the Company preceding the date of termination.

In the event that the Company requires you to work only part of the notice period required by Clause 11.5(a), the liquidated damages payment under this Clause 11.6 will be reduced by an amount equal to the annual fee paid to you or on your behalf in respect of the period of notice worked.

The payment under this Clause 11.6 shall be in full and final settlement of all and any claims or rights of action that you have or may have against the Company and against any other Group Company and against their respective officers and employees in connection with the Employment or its termination.

The payment under this Clause 11.6 shall be paid in advance in four equal quarterly instalments (in each case less any necessary withholdings) from the date of termination of your Employment. No further instalment will be payable after the date on which you commence alternative employment at a basic annual salary of or in excess of 50% of your basic annual salary at the date of termination. Payment will be conditional on you not bringing any claims before a court or tribunal relating to the Employment and any other employment within the Group, and/or its termination.

Return of documents

11.7 On termination of the Employment and any other employment within the Group, for any reason or, at the request of the Company, when notice to terminate the Employment and any other employment within the Group, is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
 - (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded,
- in your possession or under your control.

Resignation as a director

11.8 On termination of the Employment for any reason, you must immediately, at the request of the Company resign your office as a director of the Company and of any other Group Company or Associated Company without compensation for loss of office but without prejudice to any rights which you may have to treat such request as a breach of this Agreement.

Share schemes

11.9 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. If, on termination of the Employment and any other employment within the Group, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment and any other employment within the Group, not been terminated) you shall not be entitled, by way of compensation for loss of office or

otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

12. GARDEN LEAVE AND SUSPENSION

12.1 The Company may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company:

- (a) during any period of notice or any part of a period of notice as specified in Clauses 11.4 or 11.5; or
- (b) in circumstances in which the Company reasonably believes that you are guilty of misconduct or are in breach of this Agreement and in order that the circumstances giving rise to that belief may be investigated.

12.2 The Company is not required to give any reason for suspending or excluding you. Your fee will not cease to be payable by reason only of such suspension or exclusion.

12.3 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chief Executive of the Company.

12.4 The provisions of Clause 8.2 shall remain in full force and effect during any period of suspension under this Clause 12. You will also continue to be bound by duties of good faith and fidelity to the Company during any period of suspension under this Clause 12.

13. CONTINUING OBLIGATIONS

Non-representation

13.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company, an employee of a Group Company or as a director of the Company).

Non-solicitation of employees

13.2 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you or about whom you became informed, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or

- (b) you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

- 13.3 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business or custom of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-dealing

- 13.4 You must not for a period of 12 months after the termination of the Employment (except, if it is the case as an employee of a Group Company) deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-competition

- 13.5 You must not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 2 to this Agreement. Unless you have the prior approval of the Chairman and the Chief Executive of the Company you may not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 2 of this Agreement. The lists in Schedule 2 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 2 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a

material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

13.6 The obligations imposed on you by this Clause 13 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

13.7 The restrictions contained in this Clause 13 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

13.8 Each party agrees during, and after termination of, the Employment not to make, publish or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants, provided that nothing in this Agreement will prevent you or the Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

14. WAIVER

14.1 Any delay or forbearance by the Company in exercising any right of determination of this Agreement shall not constitute a waiver of it.

15. AMENDMENTS

15.1 No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a director or the Company Secretary of the Company.

16. NOTICES

16.1 Any notice required to be served under this Agreement may be given either personally, by fax or by registered post:

- (a) to the Company at its registered office for the time being; or
- (b) to you at the address at the start of this Agreement or your last known address.

Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at your usual or last known address; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by

being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at your usual or last known address and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

17. OTHER AGREEMENTS

17.1 You acknowledge and warrant that there are no Agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than those which are expressly set out in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement. For the purposes of this Clause 17.1, this acknowledgement and warranty will not apply to the terms of your Service Agreement with Reuters Group plc dated [•] June 2003.

18. GOVERNING LAW

18.1 This Agreement will be governed by and construed under English law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Agreement.

19. WITHHOLDING TAX

19.1 All amounts payable to you under this Agreement shall be subject to applicable withholding of income, salary and such other withholdings that the Company determines are required to be withheld in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

SCHEDULE 1

OTHER BENEFITS

1. BONUS

1.1 You will be entitled to participate in an annual bonus plan to be administered by the Remuneration Committee. Unless otherwise agreed by the Remuneration Committee, the maximum annual bonus payable under this plan will be an amount up to 100% of your base salary. The criteria relating to your performance and that of the Company which are to be used to determine the amount of the bonus in any year will be laid down by the Remuneration Committee at the commencement of each year and the bonus for that year will be paid as soon as reasonably practicable after the relevant results have been determined. The Remuneration Committee reserves the right to amend the quantitative criteria annually and/or to discontinue the bonus arrangement. On termination of the Employment, other than termination pursuant to Clause 11.1 or termination in respect of which Clause 11.6 applies, you shall be entitled to a prorated amount of bonus, being such proportion of average bonus (calculated according to Clause **Error! Reference source not found.**) as is the same as the proportion of the last financial year during which the Employment has subsisted.

2. SHARE OPTION PLANS

2.1 You will be eligible for membership of the Company's Save As You Earn Share Option Scheme and of any other all employee share option plan operated by the Company and approved by the Company's shareholders. Participation in such scheme and plans is, save as otherwise stipulated in their rules, at the sole discretion of the Board or the Remuneration Committee.

3. HOLIDAYS

3.1 The Company's holiday year runs from 1 January to 31 December. In addition to the bank and other public holidays, you will be entitled to 30 working days' paid holiday in each holiday year. In the first year of the Employment, the annual entitlement will be pro rata based on the holiday year.

3.2 Your annual holiday may be taken at such time or times as are reasonably appropriate having regard to the business needs of the Company.

3.3 Holidays not taken in the year of entitlement will be lost unless carried forward with the agreement of the Chief Executive of the Company.

3.4 On termination of the Employment, you will be entitled to pay in lieu of any unpaid holiday or be required to pay the Company any salary received for holiday taken in excess of your contractual entitlement. You may be required to take any untaken holiday during your notice period.

4. SICKNESS AND OTHER INCAPACITY

- 4.1 Subject to your compliance with the Company's policy on notification and certification of periods of absence from work, you shall be entitled at the discretion of the Company to up to 365 days' sick pay (including statutory sick pay) in any 24 month rolling period. Sick pay will be calculated at your normal rate of pay and benefits.

5. PENSION SCHEMES

- 5.1 You are entitled to continue to participate in the Reuters America Retirement Plan and to participate in the Supplemental Executive Retirement Plan subject to the rules of the governing documents from time to time in force.

6. LONG TERM INCENTIVE PLAN

- 6.1 You are entitled to be a member of the Reuters Group PLC Long Term Incentive Plan or any plan operated by the Company in succession to that plan (as notified to you from time to time) for so long as the Plan or such plan may be operated by the Company, and the Company shall pay to you benefits under the Plan or such plan, subject to the conditions of the Company's policy on retention of LTIP awards on early retirement (as notified to you from time to time).

7. MEDICAL/ DISABILITY INSURANCE

- 7.1 You shall be entitled to membership of the Company's Medical, Dental and Eye Care plans, subject to the terms of the plans and of any related policies of insurance as in force from time to time.
- 7.2 You shall be entitled to membership of the Company's disability insurance plans, subject to the terms of those plans and of any related policies of insurance as in force from time to time.

8. LIFE ASSURANCE

- 8.1 You are entitled to membership of the Company's Basic Life Assurance, Accidental Death and Dismemberment Insurance and Supplemental Life Assurance Plans, subject to the terms of the plans and of any related policy of insurance as in force from time to time.

9. COMPANY CAR

- 9.1 The Company will provide you with a monthly car allowance subject to the Company's Policy on Executive Director's Cars which shall be payable in instalments with Base Salary pursuant to Clause 6.2.

10. DIRECTORS' INDEMNITY AND INSURANCE

- 10.1 You shall have the benefits of:

- (a) the indemnity contained in regulation 155 of the Company's Articles of Association;
- (b) any similar indemnity in respect of liabilities incurred by Group Company directors in their capacity as such contained in the constitutional documents of any other Group Company for so long as you are a director or officer of such other Group Company; and
- (c) (subject to their terms) any insurance policies which shall be maintained by the Company in respect of liabilities incurred by Group Company directors in their capacity as such.

11. OTHER BENEFITS

11.1 You shall have such other benefits as may be made available to you by the Company from time to time, including but not limited to the use of Reuters products, mobile telephone and other equipment and membership of professional bodies.

SCHEDULE 2

**COMPETING BUSINESS CONCERNS
AS AT THE DATE OF THIS AGREEMENT**

Part 1

Competing Business Concerns

Bloomberg L.P.

Pearson PLC

Quick Corporation of Japan

Telekurs A.G.

SunGard

The Electronic Broking Service

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation

The McGraw Hill Companies

The Dun & Bradstreet Corporation

Reed Elsevier P.L.C./Elsevier N.V.

AOL Time Warner

Part 3

Companies with which Reuters has a strategic relationship

Yahoo! Inc.

SIGNED by)
for and on behalf of)
REUTERS AMERICA LLC) /s/ CHRIS HOGG
in the presence of:-)

SIGNED as a **DEED**)
and **DELIVERED** by)
DEVIN WENIG) /s/ DEVIN WENIG
in the presence of :-)

STRICTLY PERSONAL

Mr N W A FitzGerald KBE
56 Cathcart Road
London SW10 9JQ

2 March 2004

Appointment as Chairman

I am pleased to advise you that on the recommendation of the Nominations Committee the Board of Reuters Group PLC would like to appoint you as Chairman, such appointment to take effect on 1 October 2004. I am writing to set out the terms of your appointment. It is agreed that this is a contract for services and is not an employment contract.

Appointment

Your appointment will be for an initial term of three years, unless terminated earlier by and at the discretion of either party upon six month's written notice. Continuation of your appointment is contingent on satisfactory performance and re-election at AGMs as necessary. We would expect your appointment to be renewed for a further three years after the initial term, and the Board may invite you to serve an additional period thereafter.

Time commitment

Overall we anticipate a time commitment of, on average, two days per week. This will include preparation for, and attendance at, eight board meetings (most with dinners on the eve of the meeting), the AGM, a board away day, a board effectiveness review process and site visits, each year. In the event of emergencies or crises, you will be expected to make yourself available, for no additional fee, to the extent necessary.

By accepting this appointment you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. The agreement of the Senior Independent Non executive Director should be sought before accepting additional commitments that might impact materially on the time you are able to devote to your role as Chairman.

Role

The role of the Chairman was considered by the Board at its September 2003 meeting. A copy of the paper presented to and accepted by the Board describing the role of the Chairman and that of the Chief Executive is attached.

Fees, expenses and provision of services

You will be paid a fee of £500,000 gross per annum which will be paid monthly in arrears. This fee will not be reviewed by the Board until 1 October 2007 and thereafter it will be subject to annual review.

You are encouraged to build and maintain a shareholding in Reuters at a level appropriate for a chairman on terms such as yours.

Reuters will reimburse you for all reasonable expenses incurred in performing your duties, including first class travel for yourself and for your spouse when it is necessary for her to assist you in your duties.

You will be entitled to use a chauffeured car whilst on Reuters business.

You will be provided with an office at Reuters headquarters.

Reuters will provide you with a full-time personal assistant.

Reuters will meet the cost of your membership of the following international organisations: the World Economic Forum, the Conference Board and the Business Council. Reuters will also meet the cost of your membership of such other organisations as may be necessary or desirable to promote Reuters and its business as agreed between you and the Senior Independent Non-executive Director.

You will be provided with Reuters products of your choice to enable you to perform your role.

We will make arrangements for you to be inducted into Reuters including arranging a tour of Reuters principal offices around the world.

No pension arrangements will be made for you by Reuters.

Outside interests

It is acknowledged that you have business interests other than those of the company. You confirm that you are not aware of any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Senior Independent Non executive Director and the Company Secretary as soon as apparent.

Your attention is drawn to the Reuters Trust Principles, with which you are familiar. These include the principle that Reuters will be unbiased. You need to be aware of the risk that your personal views, as a figurehead of the company, may be interpreted as being the company's position. Particular care is recommended to avoid such misconceptions arising.

The Board has determined you to be independent according to provision A.3.1. of the Combined Code.

Confidentiality

During and after your appointment you will at all times keep confidential all private information about the company and other group companies. You will not use such information for your own benefit or for the benefit of any business not within the group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order properly to discharge his duties to the company or any group company.

These restrictions will not apply to any disclosure or use authorised by the Board, as required in the ordinary performance of your duties or required by law or by the requirements of any regulatory or other authority to which the company or any other group company or yourself is subject, nor will they apply to information which is already in the public domain.

Indemnity and insurance

You will have the benefit of a complete indemnity for all and any liabilities incurred by you (including all legal expenses reasonably incurred by you) in your capacity as an officer and director of the company to the fullest extent provided in the constitutional documents of the company for all acts or omissions on your part whilst acting as a director or officer of the company.

You will have the benefit of the insurance policies which are maintained by the company in respect of liabilities incurred by group company directors and officers in their capacity as such.

Independent advice

You are entitled to take independent professional advice, at the company's expense, where such advice is reasonably required for the furtherance of your duties as Chairman or as a director of the company. Before seeking advice you must obtain the written consent of at least one non-executive director and send a copy of such consent to the Company Secretary.

Would you please signify your acceptance and your agreement to the terms of the appointment by signing and returning to me the enclosed copy of this letter.

/s/ Chris Hogg

I agree to the appointment on the terms set out in this letter.

/s/ Niall FitzGerald

Date: 2 March 2004

Niall FitzGerald

BOARD AND EXECUTIVE/GMC: DIVISION OF RESPONSIBILITY AND ROLES
(approved by the Board in September 2003)**1. Role of the Board**

- 1.1 The role of the Board is to provide leadership of Reuters Group PLC (the Company) within a framework of prudent and effective controls which enables risk to be assessed and managed. It is collectively responsible for the success of the Company.
- 1.2 The Board discharges its duty by:
- (i) taking actions collectively as the Board; and
 - (ii) delegating authority to committees (Audit, Remuneration and Nominations committees) and to the executive (see below).
- 1.3 For more detail on the delegated duties and responsibilities of the Audit, Remuneration and Nominations committees, see their respective Terms of Reference.

2. Duties of the Board:

- 2.1 The Board is responsible for the following:
- (i) setting the strategic direction of the Company;
 - (ii) ensuring that there are processes and controls for assessing and managing risk;
 - (iii) upholding the Reuters Trust Principles in accordance with the Company's articles of association and setting the primary values and standards of the Company;
 - (iv) monitoring the Company's performance, scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
 - (v) ensuring the executive properly manage the financial and human resources necessary to effect fulfilment of the strategic direction;
 - (vi) ensuring obligations to shareholders and others are understood and met;
 - (vii) determining appropriate levels of remuneration for executive directors and managing Board appointments, removal and succession planning using a rigorous and transparent procedure for the appointment of new directors;
 - (viii) evaluating its own performance and that of its delegated committees and directors.
- 2.2 The Board operates under the leadership of the Chairman. The Chairman is assisted by the Company Secretary. The Chairman is primarily responsible for:
- (i) leadership of the Board, ensuring effectiveness in its role and agenda setting;
 - (ii) provision of accurate, clear and timely information to directors;
 - (iii) facilitating the effective contribution by non-executive directors and relationships between executive and non-executive directors;

- (iv) ensuring a properly constructed induction programme is provided for new directors;
- (v) taking the lead in identifying and meeting the developmental needs of individual directors and of the Board as a whole with a view to enhancing its overall effectiveness as a team;
- (vi) taking the lead in the Board's evaluation of the Chief Executive's performance and in selecting a successor to the Chief Executive;
- (vii) implementation of the changes as a result of board and director performance evaluations; and
- (viii) ensuring effective communication with shareholders.

3. Delegation of management

- 3.1 Subject to matters that are reserved to it, the Board delegates day to day management of the Group to the Chief Executive who has established the Group Management Committee (GMC) as the executive management committee for the Group.
- 3.2 The Board and the Group Management Committee, linked by the presence on both of the executive directors, have a complementary relationship, in that they seek to support each other in striving to increase the Group's success. The Board has a constructive role as an objective "check and balance" mechanism for the Chief Executive and the GMC.
- 3.3 The Chief Executive, with the assistance of the GMC, is responsible for:
- (i) making recommendations to the Board on strategy and financial goals and implementing the strategic and financial goals set by the Board;
 - (ii) approving transactions and expenditure within certain limits as set out in the GMC terms of reference;
 - (iii) agreement of arrangements with third parties within agreed limits;
 - (iv) monitoring operating and financial performance;
 - (v) reviewing business risk;
 - (vi) ensuring appropriate internal controls are in place and leading employees, by example, in attitudes towards entrepreneurialism, risk, control and ethical business practise;
 - (vii) upholding the Reuters Trust Principles;
 - (viii) organisation of the group, including HR strategy and policies, recruitment and performance management;
 - (ix) providing a means for timely and accurate disclosure of information, including an escalation route for issues.
- 3.4 The GMC is chaired by the Chief Executive. The Chief Executive is responsible for the effective management of the company's operations and is the senior executive to whom all the other executive managers report. The Chief Executive has the duties imposed on a director by law and is accountable to the Board and the shareholders for the way that the company is run and its performance.
- 3.5 In particular, the Chief Executive is responsible for:
- (i) close liaison with the Chairman, ensuring the Chairman is able to fulfil his responsibility for ensuring the provision of accurate, clear and timely information to directors;

- (ii) leadership and development of the Group's management and employees, including setting the cultural tone of the Group;
- (iii) leading the development of strategy (for recommendation to the Board), both in terms of long term strategic vision and nearer term strategy and tactics;
- (iv) leading operations, the development of effective organisation structure, operating models and business practices;
- (v) supporting the Finance Director in ensuring effective financial management and internal controls exist throughout the Group;
- (vi) leadership of the GMC, ensuring effectiveness in its role and agenda setting, including management of meetings and ensuring accurate, clear and timely information is provided to GMC members;
- (vii) on-going day to day contact and dialogue (in conjunction with the Finance Director and others) with major shareholders, customers, suppliers, employee representatives and others;
- (viii) implementation of training, performance reviews and succession planning recommendations for senior managers; and
- (ix) implementation of changes as a result of the above.

Reuters Group PLC

Discretionary Stock Option Plan Rules

Adopted by Board resolution on 5 October 2000, amended by the Board on 12 February 2001,
Approved at the Extraordinary General Meeting of Shareholders 24 April 2001 and further amended
by the Board on 2 October 2001

Contents

1	Definition	1
2	Grant of Options	8
3	Limitations on Grant	11
4	Exercise of Options	12
5	Trade sales, Reconstructions, Liquidations and Option Exchanges	15
6	Variation of Share Capital	19
7	Manner of Exercise of Options	20
8	Administration and Amendment	23
9	Miscellaneous	25

1. Definitions

1.1 In these Rules the following words and expressions shall have, where the context so admits, the following meanings:

“Adoption Date”	the date on which the Plan is adopted by resolution of the Board;
“Associated Company”	a company is to be treated as another company’s associated company if at that time one of the two has Control of the other, or both are under the Control of the same person or persons;
“Auditors”	the auditors for the time being of the Company (acting as experts and not as arbitrators);
“Board”	the board of Directors of the Company or a duly constituted committee thereof at which a quorum is present;
“the Company”	Reuters Group PLC or, save for Rules 1, 2, 3 and 8.3, such company as shall be at any time the “Acquiring Company” as defined in Rule 5.5;
“Compromise or Arrangement”	a compromise or arrangement (including a reorganisation of the Company’s share capital by the consolidation of shares of different classes or by the division of shares into shares of different classes or by both of those methods) between the Company and its members or creditors or any class of either which has been approved by not less than 75% in value of the creditors or members (based on the value of the interests as at the last record date) or such class of either who vote on such compromise or arrangement and which has been sanctioned by the Court;
“Control”	in relation to a body corporate the power of a person which is a member of that Body Corporate (“the Body Corporate”) to secure: (a) by the holding of shares or the possession of voting power in or in relation to the Body Corporate or any other body corporate; or

- (b) by virtue of its right to appoint or remove a majority of the board of directors of that Body Corporate; or
- (c) by virtue of any power conferred by the certificate of incorporation, articles of association, bye laws, membership agreement or other document regulating the Body Corporate or any other body corporate

that the affairs of the Body Corporate are conducted in accordance with the wishes of that person;

“Date of Grant”	the date on which an Option is granted to an Eligible Employee under the Plan or which is treated as being granted pursuant to Rule 2.6;
“Director”	any person occupying the office of director of the Company, by whatever name called;
“Eligible Employee”	an employee (whether contracted to work full time or part time) of any Participating Company but not including any Director of the Company unless and until this Plan has been approved by the shareholders of the Company in general meeting and not including any non Executive Director;
“Exercise Price”	<p>the amount as determined by the Company which an Option Holder shall pay to acquire a Share on the exercise of an Option being, subject to Rule 2.6 and Rule 6, in the case of an Option to Subscribe not less than the higher of:</p> <ul style="list-style-type: none">(a) Market Value; and(b) the nominal value of a Share on the Date of Grant; <p>and in the case of an Option to Purchase not less than the Market Value of a Share on the Date of Grant</p>
“Form of Renunciation”	the form of renunciation in the form agreed by the Board or the Plan Committee from time to time;

“Grantor”	in the case of an Option to Subscribe, the Company and in the case of an Option to Purchase, the Trustee;
“Group”	the Company and its Subsidiaries and the phrase “Group Company” shall be construed accordingly;
“Ill Health or Disability”	<p>the cessation of employment or office by reason of ill health or disability provided the Group Company which employs the relevant individual is satisfied, on production of such evidence as it may reasonably require:</p> <p>(a) that that individual has ceased to exercise and, by reason of ill health or disability, is incapable of exercising that office or employment; and</p> <p>(b) that that individual is likely to remain so incapable for the foreseeable future and is unlikely to return to employment with the Group</p>
“Letter of Grant”	the letter or other communication (which may include electronic communication) in the form agreed by the Board or the Plan Committee from time to time;
“Market Value”	on any day, the average closing middle market quotation of a Share as derived from the Daily Official List of the London Stock Exchange plc on the three dealing days which immediately precede that day;
“Model Code”	the Model Code for transactions in securities by Directors issued from time to time by the UK Listing Authority and/or any code of practice adopted by the Board in addition to or replacement of such publication;
“New Option”	<p>an option over shares in the Acquiring Company (as defined in Rule 5.5) granted in consideration of the release of a Subsisting Option and which shall satisfy the following conditions:</p> <p>(a) that it is a right to acquire such number of shares in the Acquiring Company as has on the acquisition of the New Option an aggregate Market Value equal to the aggregate Market Value of the Shares subject to the Subsisting Option on its release; and</p>

(b) that it has an exercise price per share such that the aggregate price payable on the complete exercise equals the aggregate price which would have been payable on complete exercise of the Subsisting Option;

“Notice of Exercise”	the notice of exercise in the form agreed by the Board or the Plan Committee from time to time;
“Option”	a right to acquire Shares granted or to be granted pursuant to Rules 2.1 or 2.6 and the term “Option” shall be construed to mean either “Option to Purchase” or “Option to Subscribe” or both as the context requires;
“Option Certificate”	the option certificate in the form agreed by the Board or the Plan Committee from time to time;
“Option Holder”	an Eligible Employee who has been granted and remains entitled to a Subsisting Option or (where the context admits) his legal personal representative(s) or transferee;
“Option to Purchase”	an Option to acquire Shares granted by the Trustee with the intention that it be satisfied by the transfer of Shares by or at the direction of the Trustee;
“Option to Subscribe”	an Option to acquire Shares granted by the Company, with the intention that it be satisfied by the issue of new Shares by the Company;
“Other Plan”	any plan (other than this Plan and Plan 2000 and its sub-plans adopted on 21 April 1998) which provides for the subscription of Shares by or on behalf of employees of a Group Company;
“Participating Companies”	the Company and any other Group Company wherever incorporated except for those Group Companies which are designated from time to time by the Plan Committee as non Participating Companies for the purposes of the Plan;
“Performance Condition”	any condition imposed by the Plan Committee in its discretion pursuant to Rule 2.3.2 whereby an Option is granted on the basis that it may not be exercised in whole or in part until and to the extent that the condition has been satisfied;

“Plan”	this Plan constituted and governed by the Rules with and subject to any amendments thereto properly effected;
“Plan Committee”	the Board or a duly authorised committee appointed by the Board to oversee the operation of this Plan, provided that in the case of options granted or to be granted to executive Directors, this committee shall be the Remuneration Committee;
“Redundancy”	the cessation of office or employment by reason of: (a) the cessation or intended cessation by an employing company of the business in which the relevant individual was employed; or (b) the cessation or reduction in the requirements of an employing company for employees to carry out work of a particular kind (including carrying out work in a particular location)
“Remuneration Committee”	the Board or a duly constituted committee of the Board delegated with the authority to consider the remuneration of Directors and senior employees of the Group in accordance with any prevailing code of practice operated by the Company;
“Retirement”	the cessation of employment or office by reason of retirement at normal retirement age or at such other age as may be agreed by the Group Company which employs the relevant individual provided that a cessation of employment or office at an age less than 50 years shall not for the purposes of this Plan be or be considered to be Retirement;
“Rules”	the rules of this Plan as amended from time to time and “Rule” shall be construed accordingly;
“Share”	an Ordinary Share in the capital of the Company which is, was or will be fully paid on issue;

“Subsidiary”	a company which is under the Control of another company;
“Subsisting Option”	an Option which has been granted and which has not been surrendered, renounced, or exercised in full nor otherwise lapsed;
“Trust”	any employee share ownership trust which has been or may be established from time to time by the Company or any other Group Company to operate in conjunction with this Plan;
“Trustees”	the trustee or trustees for the time being of the Trust;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of the Financial Services Act 1986 and in the exercise of its functions in respect of admission to the Official List.
“Vesting”	an Option becoming, subject to Rule 4, capable of exercise in accordance with the Vesting Schedule specified in its Option Certificate and, the Performance Condition (if any) having been satisfied and the expression “Vest and “Vested” shall have a corresponding meaning;

1.2 In these Rules, except insofar as the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) words importing a gender shall include every gender and references to a person shall include bodies corporate and unincorporated and vice versa;
- (iii) reference to any enactment shall be construed as a reference to that enactment as from time to time amended, modified, extended or re-enacted and shall include any orders, regulations, instruments or other sub-ordinate legislation made under the relevant enactment; and

(iv) headings and captions are provided for reference only and shall not be considered as part of the Plan.

2. Grant of Options

- 2.1 The Plan Committee may in its absolute discretion select any number of individuals who shall at the intended Date of Grant be Eligible Employees and recommend the grant of Options to them.
- 2.2 Options may be granted at any time when it is permitted to do so in accordance with the Model Code. Options shall not be granted later than the tenth anniversary of the Adoption Date.
- 2.3.1 The exercise of any Option shall be made subject to a Vesting Schedule as determined by the Plan Committee prior to the Date of Grant and specified on or in a schedule referred to in the Option Certificate relating to that Option
- 2.3.2(a) The exercise of an Option granted pursuant to Rule 2.1 may also be made subject to the satisfaction of a Performance Condition determined by the Plan Committee prior to the Date of Grant.
- (b) Any such Performance Condition must be based on objective conditions and shall be:
- (i) set out in full in the Option Certificate or in a schedule referred to in the Option Certificate;
 - (ii) such that rights to exercise an Option after the fulfilment or attainment of such objective conditions shall not be dependent upon the further discretion of any person; and
 - (a) not capable of amendment or waiver unless events happen which cause the Plan Committee to consider that the Performance Condition has ceased to be appropriate whereupon the Plan Committee may at any time amend, relax or waive the Performance Condition provided that in the reasonable opinion of the Plan Committee the varied Performance Condition is materially no more difficult to satisfy than when originally imposed or last amended as the case may be.
- (c) For the avoidance of any doubt the Plan Committee when granting an Option shall have complete discretion on whether or not to impose a Performance Condition.

- 2.4 To the extent that it is, or becomes lawful to do so, an Option may be granted subject to a condition (including a requirement that an Option Holder enter into an irrevocable election in a form agreed by the Inland Revenue with the relevant Group Company) that any liability of a Group Company to pay employer social security contributions or secondary National Insurance contributions in respect of the exercise of that Option shall be a liability of the relevant Option Holder and payable by or recoverable from that Option Holder in accordance with Rule 7.6.
- 2.5 Any Option may be renounced in whole or in part by the Option Holder by completing and returning the appropriate Form of Renunciation together with the Option Certificate to the Company within 90 days of the Date of Grant in which case the Option shall for all purposes be taken never to have been granted.
- 2.6 Where the circumstances noted in Rule 5.5 apply, New Options may be granted in consideration for the release of Subsisting Options granted under the Plan. Such New Options are deemed to be equivalent to the old Options and to have been granted within the terms of this Plan.
- 2.7 Subject to the proviso to this Rule 2.7 no Option may be transferred, assigned or charged and any purported transfer, assignment or charge shall be void ab initio Each Option Certificate shall carry a statement to this effect. For the avoidance of doubt, this Rule 2.7 shall not prevent the Option of a deceased Option Holder being exercised by personal representative(s) within the terms of these Rules. Provided that the Trustee and the Plan Committee may agree that a particular Option is capable of being transferred and, in giving any such agreement, the Trustee and the Plan Committee may also specify the person or category of persons to whom the Option Holder may transfer the Option and the terms on which it is capable of being transferred, including terms to ensure that any transferee of the Option agrees to be bound by the terms of these Rules and terms to prohibit any further transfer by that transferee of the Options in question.

- 2.8 Options shall be granted to Eligible Employees by deed. A Letter of Grant and an Option Certificate evidencing the grant shall be despatched as soon as practicable after the Date of Grant to each Participant. The Option Certificate and the Letter of Grant shall specify the Grantor, the Date of Grant, the number of Shares subject to the Option, the Exercise Price and the Vesting Schedule (if any).
- 2.9 Options may be granted by the Trustee only with the prior approval of the Company. Options to Subscribe shall not be granted and/or the satisfaction of Options to Purchase by the issue of new Shares in accordance with Rule 7.2 shall not take place unless and until this Plan has been approved by the shareholders of the Company in general meeting.
- 2.10 Notwithstanding anything to the contrary herein expressly or impliedly contained no Option shall be granted to a person who is a Director unless and until the shareholders of the Company in general meeting have approved and/or ratified the Plan.

3 Limitations on Grant

3.1 Subject to Rule 2.9, Options may be granted pursuant to Rule 2 above provided that such grant does not result in the aggregate of:

3.1.1 the number of Shares which would remain issuable on the exercise of Subsisting Options to Subscribe granted within the preceding ten years;

3.1.2 the number of Shares which have been issued pursuant to the exercise of Options to Subscribe granted within the preceding ten years; and

3.1.3 the number of Shares which have been issued or which remain issuable pursuant to rights granted under any Other Plan within the preceding ten years, exceeding 10% of the Shares in issue on the working day immediately preceding the Date of Grant.

3.2 To the extent that the Company has procured pursuant to Rule 7.3 that the Trustee transfers Shares to satisfy an Option to Subscribe such Option shall not be treated as an Option to Subscribe for the purposes of this Rule 3.

3.3 The aggregate number of Shares held at any one time in Trusts shall not in aggregate exceed 10% of the Company's issued share capital at that time.

4 Exercise of Options

- 4.1 Subject to each of the succeeding sections of this Rule 4, Rule 5 and Rule 7 below a Subsisting Option may be exercised in whole or in part by the Option Holder or, if deceased, by his personal representatives in whole or in part on or after Vesting
- 4.2 A Subsisting Option which has not yet Vested in accordance with its normal Vesting requirements or such part thereof as shall not have so Vested shall:
- 4.2.1 Subject to any specific terms to the contrary in the conditions to which that Option is subject as noted in the Option Certificate, Vest in full immediately on the Option Holder ceasing to be a Director or employee of any Group Company (so as to hold no office or employment with any Group Company) as a result of death, Ill health or Disability, or Redundancy;^{*1}
- 4.2.2 not become capable of Vesting or further Vesting (as the case may be) in the event of the cessation of the Option Holder's office or employment with any Group Company for any reason other than those specified in Rule 4.2.1 above unless the Plan Committee shall, prior to such cessation otherwise determine and in making such determination the Plan Committee shall specify whether the whole or part of the Option which had not Vested prior to such cessation shall Vest.
- 4.3 An Option which has not Vested in accordance with its normal Vesting requirements or Rule 4.2 above or such part thereof as shall not have so Vested shall lapse on the earliest of the following dates:
- 4.3.1 the surrender of the Option by the Option Holder;
- 4.3.2 the date prior to Vesting on which the Option Holder ceases to be a Director or employee of any Group Company (so as to hold no office or employment with any Group Company) unless

1 * The words: "Subject to any Option Certificate" were inserted by Board resolution dated 2 October 2001.

(a) Rule 4.2.1 applies; or

(a) the Plan Committee has exercised its discretion under Rule 4.2.2 above, provided that if the Plan Committee has specified that an Option shall Vest in part only then the balance of the Option shall lapse on the date of cessation of office or employment.

4.3.3 on the date (if any) specified in the Performance Condition relating to that Option as being the lapse date in the event that the Performance Condition had not been achieved (or, as the case may be, achieved in part) by that stated lapse date; and

4.3.4 the date of lapse determined in accordance with Rule 5.

4.4 A Vested Subsisting Option or such part thereof as shall have Vested shall lapse on the earliest of the following:

4.4.1 the tenth anniversary of the Date of Grant or such earlier date specified at the Date of Grant;

4.4.2 the surrender of that Option by the Option Holder;

4.4.3 the first anniversary of the Option Holder's death or twelve months following the cessation of office or employment due to Ill health, Disability, Retirement, Redundancy or in circumstances where the Plan Committee has made a Rule 4.2.2 determination in respect of that Option;

4.4.4 the day falling six months after the date of cessation of the Option Holder's office or employment with any Group Company (so as to hold no office or employment with any Group Company) for any reason other than those mentioned in Rule 4.4.3 or 4.4.5.

4.4.5 on the date that an Option Holder ceases to be a Director and/or employee of any Group Company (so as to hold no office or employment with any Group Company) as a result of being dismissed for cause. For the purposes of this Plan a statement by the Plan Committee that an Option Holder has been dismissed for cause (including dishonesty or gross misconduct) shall be conclusive;

4.4.6 on the date on which an Option Holder, being a former officer or employee of a Group Company who holds a Subsisting Option, is notified that the Plan Committee considers he has committed an act of post employment misconduct. Post employment misconduct includes;

- (a) any unauthorised use or disclosure of confidential information or trade secrets of the Company or any Group Company acquired whilst that Option Holder was employed by a Group Company;
- (b) any other misconduct which is deemed by the Plan Committee to be intentional misconduct adversely affecting the business or affairs of the Company or any Group Company; or
- (c) any breach of a covenant not to compete with or take up employment with a company in material competition with the Company or any Group Company which that Option Holder entered into before or at the time of his cessation of office or employment with a Group Company.

For the purposes of this Rule 4.4.6 a statement by the Plan Committee that an Option Holder has committed an act of post employment misconduct shall be conclusive; and

4.4.7 the date of lapse determined in accordance with Rule 5.

4.5 For the avoidance of any doubt an Option shall, at the latest, lapse on the date specified at the Date of Grant to be the latest lapse date of that Option;

5 Trade sales, Reconstructions, Liquidations and Option Exchanges

5.1 If any person obtains Control of the Company as a result of making:

- (a) an offer (whether a general offer or not) to acquire the whole of the issued share capital of the Company (other than that which is already owned by him) which is unconditional or which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or
- (b) an offer (whether a general offer or not) to acquire all the shares (other than shares which are already owned by him) in the Company which are of the same class as Shares subject to a Subsisting Option

then, subject to Rule 5.4, the Board shall notify all Option Holders as soon as is practicable of the offer in accordance with Rule 8.5. All Subsisting Options whether Vested or not may be exercised, from 21 days after the date of the receipt of that notification up to the expiry of a period ending six months from the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied. To the extent that any Subsisting Option is unexercised or has not been exchanged for a New Option in accordance with Rule 5.4 at the end of such period, it shall thereupon lapse.

5.2 If a Compromise or Arrangement in relation to the Company takes place then, subject to Rule 5.4 all Subsisting Options whether Vested or not may be exercised from 21 days after the date of Court sanction up to the expiry of a period of six months of that date. To the extent that any Subsisting Option remains unexercised or has not been exchanged for a New Option in accordance with Rule 5.4 at the end of such period it shall thereupon lapse.

5.3 If any person becomes bound or entitled to acquire Shares in the Company under sections 428 to 430 of the Companies Act 1985 (the period during which the person remains so bound or entitled being referred to as the "Relevant Period") then, subject to Rule 5.4, all Subsisting Options whether Vested or not may be exercised from 21 days after the beginning of the Relevant Period up to the expiry of the Relevant Period and to the extent that any Subsisting Option is unexercised or has not been exchanged for a New Option in accordance with Rule 5.4 at the end of the Relevant Period, it shall thereupon lapse.

5.4 Notwithstanding Rules 5.1, 5.2 and 5.3 if, following an event specified in Rules 5.1, 5.2 or a circumstance specified in Rule 5.3 (“the Relevant Event” being; the date of the offer, the date the Court sanction the Compromise or Arrangement or the first day of the Relevant Period respectively) the Board procures that all Subsisting Options can be exchanged pursuant to Rule 5.5 the Board may, in its discretion, determine by written resolution that:

5.4.1 Subsisting Options do not become exercisable as a result of the Relevant Event and any Subsisting Option which is already exercisable ceases to be exercisable as from the Relevant Event; and

5.4.2 that all Subsisting Options shall be released in consideration of the Grant of a New Option in accordance with Rules 5.5 and 5.6.

Provided that if the company which is the Acquiring Company in respect of the Relevant Event fails to grant or to make a binding contractual commitment to grant the New Options pursuant to Rule 5.5 within 40 days of the Relevant Event such resolution of the Board will cease to be effective and all Subsisting Options will be exercisable pursuant to Rule 5.1, 5.2 or 5.3 (as the case may be).

5.5 If, as a result of the events specified in Rules 5.1 or 5.2 the Board has required the release of a Subsisting Option in consideration of the grant of a New Option or a company has obtained Control of the Company, or if a person has become bound or entitled as mentioned in Rule 5.3, the Option Holder may, and in the case of a Board resolution under Rule 5.4 shall, if that other company (“the Acquiring Company”) so agrees, release any Subsisting Option he holds in consideration of the grant of a New Option by the Acquiring Company, and the following shall apply:

5.5.1a New Option shall be evidenced by an Option Certificate which shall import the relevant provisions of these Rules;

5.5.2a New Option shall, for all other purposes of this Plan, be treated as having been acquired at the same time as the corresponding released Option.

5.6 For the purpose of any application of the provisions of this Plan following a release of a Subsisting Option and the grant of a New Option:

- 5.6.1 in the case of a release of a Subsisting Option and the grant of a New Option in circumstances where the Board has not made a determination in accordance with Rule 5.4, Rules 1, 4.3 and 5 to 9 (inclusive) shall apply and be deemed always to have applied to the New Option;
- 5.6.2 in the case of a release of a Subsisting Option and the grant of a new Option in circumstances where the Board has made a determination under Rule 5.4, all the Rules of this Plan shall apply mutatis mutandis to such New Option subject only to such amendments as the Board shall consider are necessary or appropriate to reflect the change in identity of the company over whose shares the New Options subsist or similar consequential changes. For the avoidance of doubt, following a determination under Rule 5.4, an Option Holder's New Option shall have the same Vested or unVested status immediately following the release and new grant as the corresponding Options released by that Option Holder and any determination made by the Board to accelerate Vesting in accordance with Rules 5.1, 5.2 or 5.3 shall be deemed not to have been made.
- 5.7 If notice is duly given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, a Subsisting Option shall whether or not previously Vested be exercisable in whole or in part (but so that any exercise hereunder shall be conditional upon such resolution being passed) at any time thereafter until the resolution is duly passed or defeated or the general meeting is concluded or adjourned, whichever shall first occur. Immediately after any such resolution is passed any Subsisting Options shall, to the extent that they are unexercised, thereupon lapse.
- 5.8 If notice is duly given of a general meeting at which a resolution will be proposed whereby:
- 5.8.1 the class of shares for the time being constituting Shares will be altered; or
- 5.8.2 the rights attaching to shares which for the time being constitute Shares will be altered such that shares will cease to be Shares.

Subsisting Options may at the discretion of the Board be exercisable and the Board in its discretion may specify whether this provision shall apply to Subsisting Options which are at the date of such notice Vested and unVested or to Vested Options only (but so that any exercise hereunder shall be conditional upon such resolution being passed) at any time thereafter until such resolution is duly passed or defeated or the general meeting concluded or adjourned, whichever shall first occur. Immediately after any such resolution is passed all Subsisting Options (whether or not the Option was exercisable prior to the passing of such resolution) shall, to the extent that they are unexercised, thereupon lapse unless the Board shall have resolved to the contrary prior to the date of such resolution.

5.9 For the purpose of this Rule 5 other than Rule 5.5 a person shall be deemed to have obtained Control of a company if he and others acting in concert with him have together obtained Control of it.

5.10 The exercise of an Option pursuant to the preceding provisions of this Rule 5 shall be subject to the provisions of Rule 7 below.

5.11 A New Option shall not be exercisable by virtue of the event on which it was granted.

5.12 For the purposes of exercising any discretions conferred upon the Board under this Rule 5, any member of the Board who is an Option Holder shall not be entitled to vote, and such discretions may only be exercised by members of the Board who are not Option Holders and, in the absence of a question or in the case of a tie, the Chairman of the Company's Remuneration Committee shall have a casting vote

6 Variation of Share Capital

- 6.1 In the event of any variation of the share capital of the Company, including, but without prejudice to the generality of the preceding words, any demerger (whether qualifying or not), capitalisation or rights issue or any consolidation, sub-division or reduction of capital the number of Shares subject to any Subsisting Option and the Exercise Price may be adjusted (including retrospective adjustments) by the Board provided that the Exercise Price for a Share subject to an Option to Subscribe shall not be reduced below its nominal value unless the Board gives an undertaking that upon exercise of such Options arrangements will be made for the capitalisation (in accordance with the Company's Articles of Association) of undistributed profits or reserves of the Company of an amount equal to the difference on any such exercise between the aggregate Exercise Price and the aggregate nominal value of the Shares to be issued upon such exercise.
- 6.2 Such adjustment shall be deemed to be effective, from the record date at which the respective variation applied to other shares of the same class as the Shares. Any Options exercised within that period shall be treated as exercised with the benefit of the variation.
- 6.3 The Grantor shall take such steps as it considers necessary to notify Option Holders of any adjustment made under Rule 6.1 and to call in, cancel, endorse, issue or reissue any Option Certificate consequent upon such adjustment.

7 Manner of Exercise of Options

- 7.1 An Option shall be exercised in whole or in part by the Option Holder or, as the case may be, his personal representatives giving notice in writing to the Company or its agent by the Notice of Exercise accompanied by the appropriate payment and the relevant Option Certificate and shall be effective on the date of the receipt of the appropriate payment and paperwork by the Company or its agent.
- 7.2 Subject to Rule 7.6 where an Option to Purchase is exercised the Shares subject thereto shall be transferred to or as directed by the Option Holder within 30 days of the date of exercise (or, if such transfer in such period would be prohibited by the Model Code, at the earliest practicable time after such prohibition is lifted) and the Trustee shall arrange for the delivery of a definitive share certificate or other evidence of title in respect thereof. Subject to Rule 2.9 on the exercise of an Option to Purchase, the Trustees may procure that the Company issues sufficient Shares to or as directed by the Option Holder as provided for in Rule 7.3.
- 7.3 Subject to Rule 7.6 on the exercise of an Option to Subscribe, the number of Shares specified in the Notice of Exercise given in accordance with Rule 7.1 shall be allotted and issued credited as fully paid to or as directed by the Option Holder within 30 days of the date of exercise (or, if such allotment in such period would be prohibited by the Model Code at the earliest practicable time after such prohibition is lifted) and the Company shall arrange for the delivery of a definitive share certificate or other evidence of title in respect thereof. On the exercise of an Option to Subscribe the Company may procure the transfer of sufficient Shares from the Trustee or another shareholder in the Company (in lieu of the issue of Shares by the Company) to or as directed by the Option Holder to satisfy the Option in full provided that such transfer must take place within 30 days of the date of exercise (or, if such transfer in such period would be prohibited as aforesaid, at the earliest practicable time after such prohibition is lifted) and the Company shall arrange for the delivery of a definitive share certificate or other evidence of title in respect thereof.
- 7.4 Save for any rights determined by reference to a record date preceding the date of allotment or transfer, such Shares shall rank *pari passu* with the other shares of the same class as Shares then in issue.

7.5 The Company shall apply for Shares in respect of which an Option has been exercised to be admitted to listing, if they are not so admitted already.

7.6 If, in respect of any Option Holder, any Group Company or third party shall be:

- (a) required by the law of any jurisdiction to deduct or withhold any amounts in respect of tax and/or social security and/or employees' National Insurance contributions in respect of or on account of that Option Holder's liability for the same by reason of the Options granted to him, (whether any such requirement arises at the Date of Grant of the Options or at the date of exercise of the Option or at some other date); or
- (b) if the Option Holder shall be liable personally to account for tax and/or social security and/or employees' National Insurance contributions in respect thereof; and/or
- (c) if it shall be or become lawful for the liability of an Option Holder's employing company in respect of employer's social security or secondary national insurance contributions arising as a result of the exercise of his Option to be met or refunded in whole or in part by that Option holder;

then in any such case as specified by the Option Holder either:

7.6.1 the Option Holder shall grant to the Company the irrevocable authority, as agent of the Option Holder and on his behalf, to sell and/or retain and sell subsequently and/or procure the sale of such number of Shares subject to the Option as is sufficient to realise net proceeds sufficient to enable the relevant Group Company or third party (as the case may be) to account for such amount of tax and/or social security and/or employees' National Insurance contributions including where it is lawful, the relevant Group Company's liability for the same arising as a result of the exercise of that Option and, in the case of a sale, the Shares issued or transferred to the Option Holder upon exercise of an Option shall be reduced by the number of such Shares as have been sold or retained as mentioned above; or

7.6.2 the Option Holder shall pay to the Company in pounds sterling or in such other currency as may be required by the Company, (whether by cheque or by banker's draft) the amount necessary to satisfy such liabilities.

7.7 For the avoidance of doubt

7.7.1 where in relation to Rule 7.6 the Option Holder opts in accordance with Rule 7.6.1 the Company shall account to the relevant Group Company or third party (as the case may be) with the net proceeds of sale for the Shares in order to enable the tax and/or social security and/or National Insurance liabilities to be settled and if, following such sale, there shall be any balance of the proceeds of sale not required to meet such liabilities, such balance shall be paid by the Company to the Option Holder for his own use and benefit absolutely;

7.7.2 if the Option Holder on exercise fails to specify either Rule 7.6.1 or Rule 7.6.2 or, if having specified Rule 7.6.2 he fails to make the required payment within 15 days of the date of that exercise, he shall be deemed for all purposes to have given an irrevocable authority within Rule 7.6.1.

7.8 If an Option Holder exercises an Option the Trustee or the Company may in lieu of transferring or allotting Shares in accordance with Rule 7.2 or 7.3:

7.8.1 allot or transfer such number of Shares as could, subject to Rule 7.6, be acquired at Market Value on the relevant date of exercise with an amount of cash equal to the difference between the Market Value of a Share on the date of exercise and the Exercise Price under the Option multiplied by the number of Shares over which that Option has been exercised provided that this Rule shall in normal circumstances only be applied to facilitate the operation of the Plan in jurisdictions where by reason of exchange control or similar restrictions or regulations it is not permitted or is not practicable for an Option Holder to transfer funds outside that jurisdiction;

7.8.2 make other arrangements, including arrangements with a third party broker, to facilitate cashless exercises.

Provided that if an allotment, transfer of Shares or cashless exercise arrangement is made to or implemented for an Option Holder pursuant to this Rule 7.8, such Option Holder shall have no further rights in respect of the Shares subject to that Option.

8 Administration and Amendment

8.1 The Plan shall be administered by the Board whose decision shall be final.

8.2 Option Holders shall not be entitled to:

8.2.1 receive copies of accounts, circulars or notices sent to holders of Shares;

8.2.2 exercise voting rights; or

8.2.3 receive dividends,

in respect of Shares which have not been issued or transferred to such Option Holders on the exercise of Options in accordance with these Rules.

8.3 The Board may from time to time amend these Rules provided that:

8.3.1 no amendment shall be effective which would materially prejudice the interests of Option Holders in relation to Options already granted to them unless such prior consent or sanction of Option Holders is obtained as would be required under the provisions for the alteration of class rights contained in the Articles of Association of the Company for the time being if the Shares to be allotted or transferred on the exercise of the Options constituted a separate but single class of shares and such Shares were entitled to such right;

8.3.2 after the Plan has been approved by the Company in general meeting, the provisions relating to:

(a) Option Holders;

(b) limitations in Rule 3 on the number of Shares subject to the Plan;

(c) the basis for determining an Option Holder's entitlement under the Plan, the terms of such entitlement and the provisions for the adjustment of the same under the terms of Rule 6;

(d) limitations in Rules 2.9 and 2.10,

cannot be altered to the material advantage of Option Holders without the prior approval of the Company in general meeting (except for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Option Holders, or for Participating Companies);

- 8.4 The Board may, subject to Rules 8.3.1 and 8.3.2 create sub-plans to this Plan in which it may make such amendments to the Rules as it considers necessary or desirable to operate the Plan in any jurisdictions in which Eligible Employees are situated and may implement such sub-plans in the form of schedules to the Plan applicable to the specified jurisdiction.
- 8.5 The cost of establishing and operating the Plan shall be borne by the Group Companies which employ the Option Holders in such proportions as the Board shall determine.
- 8.6 Any notice or other communication under or in connection with the Plan may be given by the Grantor either personally or by post or fax or e-mail or intranet, and to the Grantor either personally or by post or fax or e-mail to the Secretary of the Grantor; items sent by post shall be pre-paid and shall in the case of notices or communications to the Grantor be treated as received on the day actually received by the Grantor and in the case of notices from the Grantor shall be deemed to have been received 48 hours after posting.
- 8.7 The Board may exercise its discretion where it considers that it is necessary or desirable to do so, to provide that such Eligible Employees so designated by the Board shall receive awards which entitle them to receive a cash payment instead of Shares. Such awards will be granted on substantially the same terms as Options (save that there shall be no entitlement to receive Shares) subject to such modifications as considered appropriate by the Plan Committee.
- 8.8 The Board may determine at any time that no further Options be granted and may from time to time modify or at any time suspend or terminate the Plan (but without prejudice to Options already granted).

9 Miscellaneous

- 9.1 The rights and obligations of any individual under the terms of his office or employment with any Group Company shall not, except as specifically provided under the Plan, be affected by his participation in the Plan or any right which he may have to participate therein, and an individual who participates therein shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any Option under the Plan as a result of such termination.
- 9.2 The existence of Options shall not affect in any way the right or power of the Company or its shareholders to make or authorise any or all adjustments, recapitalisation, reorganisations, reductions of capital, purchase or redemption of its own shares or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or convertible into, or otherwise affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.
- 9.3 Neither the grant of an Option nor any benefit which may accrue to an Option Holder on the exercise thereof shall form part of that Option Holder's pensionable remuneration for the purposes of any pension scheme or similar arrangement which may be operated by any Group Company.

The Directors
Reuters Group PLC
85 Fleet Street
London EC4P 4AJ

16 March 2004

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-8 (No. 33-16927, No. 33-90398, No. 333-5998 and No. 333-57266) of Reuters Group PLC of our report dated 3 March 2004 relating to the financial statements of Reuters Group PLC, which appears in this Annual Report on Form 20-F.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London, England

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Services Authority for designated investment business.

CERTIFICATIONS

I, Thomas Henry Glocer, certify that:

1. I have reviewed this annual report on Form 20-F of Reuters Group PLC;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this annual report;
4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: 16 March 2004

By /s/ Thomas H Glocer

Thomas H Glocer
Chief Executive

CERTIFICATIONS

I, David John Grigson, certify that:

1. I have reviewed this annual report on Form 20-F of Reuters Group PLC;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this annual report;
4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: 16 March 2004

By /s/ David J Grigson

David J Grigson
Finance Director

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED BY SECTION 906 OF THE SARBANES – OXLEY ACT OF 2002**

I, Thomas Henry Glocer, Chief Executive of Reuters Group PLC (the “Company”) hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes – Oxley Act of 2002, that to my knowledge:

a) The Company’s Annual Report on Form 20-F for the year ended December 31, 2003 (the “Form 20-F”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: 16 March 2004

By /s/ Thomas H. Glocer

Thomas H. Glocer
Chief Executive

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED BY SECTION 906 OF THE SARBANES – OXLEY ACT OF 2002**

I, David John Grigson, Finance Director of Reuters Group PLC (the “Company”) hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes – Oxley Act of 2002, that to my knowledge:

- a) The Company’s Annual Report on Form 20-F for the year ended December 31, 2003 (the “Form 20-F”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- b) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: 16 March 2004

By /s/ David J Grigson

David J Grigson
Finance Director
