



NORWICH CITY
FOOTBALL CLUB

CANARIES BOND

Bond Instrument
March 2018



BOND INSTRUMENT

INSTRUMENT CONSTITUTING UP TO £5,000,000 OF CANARIES BONDS NO. 1

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THIS INSTRUMENT IS MADE BY WAY OF DEED POLL ON 8 MARCH 2018 BY

NORWICH CITY FOOTBALL CLUB PLC,

a public limited company incorporated in England and Wales with registered number 00154044 and with its registered address at Carrow Road, Norwich, Norfolk, NR1 1JE (the "Issuer").

TERMS:

1. DEFINITIONS AND INTERPRETATION

1.1 The following words have these meanings in this Instrument unless a contrary intention appears:

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person; *provided* that a wholly-owned subsidiary of the Issuer shall not be considered an Affiliate for the purposes of Clause 5.2. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing;

"Aggregate Nominal Amount" means in respect of the Canaries Bonds in issue at any time, the aggregate principal amount of the Canaries Bonds outstanding at that time and/or all accrued Interest thereon;

"Applicable Laws" means all applicable laws, statutes, regulations, directives, by-laws, orders and codes of conduct and mandatory guidelines which have legal effect, whether local, national, international or otherwise existing from time to time, together with any similar instrument having legal effect in the relevant circumstances;

"Appropriateness Questionnaire" means the investor categorisation and appropriateness

questionnaire available at www.tifosy.com/canaries or www.tifosy.com/canaries-priority that must be completed before viewing this document and investing in Canaries Bonds;

"Board of Directors" means the board of directors of the Issuer;

"Bond Certificate" means a bond certificate evidencing title to a Canaries Bond in the form approved by the Issuer;

"Bondholder" or **"Bondholders"** means the person(s) from time to time entered in the Register as the holders of Canaries Bonds;

"Business Day" means a day other than a Saturday or a Sunday on which banks are open for business in London;

"Canaries Bonds" or **"Bonds"** means the non-transferable, non-convertible, unsecured Canaries Bonds No.1 of the Issuer constituted by this Instrument;

"Capital Stock" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person;

"Carrow Road" means the land and buildings constituting the Club's stadium at Carrow Road, Norwich NR1 1JE;

"Change of Control" means the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction) resulting in the Permitted Holders ceasing to beneficially hold more than 50% of the voting rights in the share capital of the Issuer conferring the ability on the Permitted Holders to pass ordinary resolutions;

"Club" means the English professional football club Norwich City Football Club;

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“Club Credit” means credit issued in the form of a credit note (or in any other form, paperless or otherwise, as the Issuer may determine) which may be redeemed to purchase in full, or to gain a discount against: (i) regular adult or concession match day tickets at Carrow Road; (ii) match day hospitality packages at Carrow Road; and (iii) refreshments (food and beverages) from Carrow Road kiosks on match day; (iv) official merchandise at the Club’s shop (online and offline); and (v) special Club events held at Carrow Road, and any other item as may be specified from time to time;

“Colney Training Centre” means the land and buildings constituting the Club’s training facilities at Hethersett Lane, Norwich NR4 7TS;

“Day Count Fraction” means in respect of any period shorter than 12 months, the actual number of days in such period divided by the number of days in a 12 month period;

“Default Event” has the meaning given to that term in Clause 8.1;

“FCA” means the Financial Conduct Authority;

“Instrument” means this bond instrument;

“Interest” means the payment of interest in the form of cash and Club Credit in accordance with Clause 4;

“Interest Rate” means 8 per cent. per annum (gross) consisting of 5 per cent. per annum in cash and 3 per cent. per annum in Club Credit;

“Interest Payment Date” means the date falling (i) 12 months following the Issue Date and (ii) at the end of each subsequent 12 month period up to and including the date on which the Canaries Bonds are finally redeemed;

“Issue Date” means the date on which the Canaries Bonds

are first issued;

“Material Asset Sale” means the sale, lease, transfer, conveyance or other disposition of the rights and title to Carrow Road and/or the Colney Training Centre as held by the Issuer or a subsidiary of the Issuer;

“Permitted Holder” means (i) Delia A Smith or (ii) Michael Wynn Jones, and any Affiliate thereof;

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company, government or any agency or political subdivision thereof or any other entity;

“Preference Shares” means the 5.25% ‘A’ Preference Shares and the 4.5% ‘B’ Preference Shares in the capital of the Issuer;

“Premier League” means the top division of the English football league system organised by The Football Association Premier League Limited and consisting of 20 member clubs that make up the league at any one time;

“Privileged Relation” means a husband or wife (as the context shall require and as such terms are defined in the Marriage (Same Sex Couples) Act 2013) or Civil Partners (as such term is defined in the Civil Partnership Act 2004);

“Promotion Bonus” means the one-off bonus interest payment of 25 per cent. to be paid on the Canaries Bonds;

“Promotion Bonus Payment Date” means 30 September in the first year in which the Club achieves promotion to the Premier League;

“Recognised Investment Exchange” has the meaning ascribed to that term in section 285 of the Financial Services and Markets Act 2000 (as amended);

“Register” means the register of Bondholders maintained by the Issuer or its Registrar as provided for in Clause 13;

“Registrar” means Tifosy or any alternate entity appointed to provide services to the Issuer in connection with the Canaries Bonds and/or the Register;

“Registered Address” means registered address of the Issuer from time to time;

“Repayment Date” means at the option of the Bondholder, the later of (i) the fifth anniversary of the Issue Date and (ii) any subsequent anniversary of the Issue Date (or if such dates do not fall on a Business Day, the next Business Day);

“Relegation Event” means the relegation of the Club from its division of the EFL in the season immediately prior to the fifth anniversary of the Issue Date;

“Relegation Repayment Date” means at the option of the Bondholder, the later of (i) the sixth anniversary of the Issue Date and (ii) any subsequent anniversary of the Issue Date (or if such dates do not fall on a Business Day, the next Business Day);

“Specified Denomination” means £500.00 of nominal amount of Canaries Bonds;

“Tifosy” means Tifosy Limited (a company incorporated in England and Wales with registration number 08504907 and with its registered address at Studio 7 75-81 Burnaby Street, London, SW10 0NS) which provides various services to the Issuer in connection with the Canaries Bonds; and

“Tifosy Profile” means the section of the website provided by Tifosy wherein Bondholders can view information relating to their Canaries Bonds.

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1.2 In this Instrument, unless the contrary intention appears:

- 1.2.1 a reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in the Companies Act 2006;
- 1.2.2 the singular includes the plural and vice versa and any gender includes the other gender;
- 1.2.3 'person' unless the context otherwise requires includes a natural person, a firm, a partnership, a body corporate, an unincorporated association or body, a state or agency of state, trust or foundation (whether or not having separate legal personality);
- 1.2.4 a reference to:
 - a) a document means that document as amended, replaced or novated;
 - b) a statute or other law means that statute or other law as amended or replaced, whether before or after the date of this Instrument and includes regulations and other instruments made under it;
 - c) a clause or schedule is a reference to a clause or a schedule in this Instrument; and
 - d) a month means a calendar month;
- 1.2.5 where the word 'including' or 'includes' is used, it is to be taken to be followed by the words: 'but not limited to' or 'but is not limited to', as the case requires;
- 1.2.6 where a period of time is expressed to be calculated from or after a specified day, that day is included in the period;

1.2.7 references to "£" or "GBP" are to the lawful currency of the United Kingdom;

1.2.8 a reference to "date of redemption" or "repayment" or "redeemed" or "repaid" means the date on which all the outstanding principal and accrued Interest on all the outstanding Canaries Bonds is finally paid; and

1.2.9 headings are inserted for convenience and do not affect the interpretation of this Instrument.

2. AMOUNT AND STATUS OF THE CANARIES BONDS

- 2.1 The total aggregate principal amount of the Canaries Bonds is limited to £5,000,000.
- 2.2 The Canaries Bonds shall only be capable of being issued in multiples of £500 in nominal amount.
- 2.3 The Canaries Bonds shall not be issued or registered in the names of more than one Bondholder per Canaries Bond however two persons that are Privileged Relations may apply to have their Canaries Bonds issued and registered in joint names. For the avoidance of doubt, the Issuer shall not be obliged to issue or register more than one person as the holder of any Canaries Bonds.
- 2.4 The Canaries Bonds shall entitle the Bondholders to their respective rights as set out in this Instrument, otherwise the Canaries Bonds as and when issued shall rank *pari passu* equally and rateably without discrimination or preference.
- 2.5 The Canaries Bonds shall not be capable of being transferred by the Bondholder or by the Issuer and shall not be capable of being dealt in or negotiated

on any stock exchange or other recognised or capital market in the United Kingdom or elsewhere. No application has been or will be made to any Recognised Investment Exchange for the listing of, or for permission to deal in, the Canaries Bonds.

3. USE OF PROCEEDS

The proceeds of subscriptions for Canaries Bonds shall be used to fund proposed developments for the benefit of the academy of the Club at the Colney Training Centre.

4. INTEREST

- 4.1 Interest is payable on the principal amount outstanding under the Canaries Bonds from the Issue Date until the date of redemption and will be calculated on the basis of a 365 day year (or, in the case of a leap year, a 366 day year).
- 4.2 Interest accrues from day to day at the Interest Rate and is payable to the Bondholders by annual payments in arrears by reference to each Interest Payment Date until the Canaries Bonds are repaid under the terms of this Instrument and shall be paid to the Bondholders within 10 Business Days of such Interest Payment Date.
- 4.3 If an Interest payment is required to be calculated in respect of any period which is less than twelve months, the amount of the Interest payment payable in respect of each Bond shall be calculated by applying 8 per cent. to the Specified Denomination of each Bond held (comprised of 5 per cent. in cash and 3 per cent. in Club Credit), multiplying the product by the Day Count Fraction and rounding the resulting figure down to the

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nearest cent.

4.4 The Promotion Bonus is payable on the principal amount outstanding under the Canaries Bonds in the event that the Club first achieves promotion to the Premier League. The Promotion Bonus shall be paid by the Issuer to Bondholders on the Promotion Bonus Payment Date. The Promotion Bonus is only payable once during the term of the Canaries Bonds and only Canaries Bonds that are in issue at the time the Club is promoted shall be eligible for the Promotion Bonus.

5. COVENANTS

5.1 The Issuer will not, and will not permit any of its subsidiaries, directly or indirectly, to declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer's or any of its subsidiary's Capital Stock provided that: (i) the Issuer shall be permitted to pay such dividend or other payment or distribution with respect to the Preference Shares; and (ii) the Issuer or any of its subsidiaries shall be permitted to pay such dividend or other payment or distribution to a wholly-owned subsidiary of the Issuer or the Issuer, as applicable.

5.2 The Issuer will not, and will not permit any of its subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "Affiliate Transaction") involving aggregate value in excess of £1 million unless:

- i) the terms of such Affiliate Transaction taken as a whole are not materially less favourable to the Issuer or such subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and
- ii) the terms of such transaction or series of related transactions have been approved by the Board of Directors of the Issuer resolving that such transaction complies with Clause 5.2(i).

6. REDEMPTION OF THE CANARIES BONDS

6.1 All Canaries Bonds not previously repaid (in whole or in part) will be redeemed by the Issuer:

- 6.1.1** on the Repayment Date, at a purchase price in cash equal to 100% of the principal amount of the Bonds, together with Interest accrued up to and including the date of redemption;
- 6.1.2** in the event that a Relegation Event has occurred, on the Relegation Repayment Date, at a purchase price in cash equal to 100% of the principal amount of the Bonds, together with Interest accrued up to and including the date of redemption,

provided that the Bondholder submits a completed electronic notice of redemption together with associated instructions from within their Tifosy Profile so as to be received at least six months prior to the relevant Repayment Date. Bondholders will

be notified by the Registrar seven (7) months before the Repayment Date in respect of the Canaries Bonds held by them and have one (1) month to submit a redemption notice.

6.2 Without prejudice to Clause 6.1, in the event that:

- 6.2.1** a Change of Control has occurred, the Issuer shall be obliged to make an offer to Bondholders to redeem their Canaries Bonds at a purchase price in cash equal to 101% of the principal amount of the Bonds, together with Interest accrued up to and including the date of redemption; or
- 6.2.2** a Material Asset Sale has occurred, the Issuer shall be obliged to make an offer to Bondholders to redeem their Canaries Bonds at a purchase price in cash equal to 101% of the principal amount of the Bonds, together with Interest accrued up to and including the date of redemption.

6.3 The Issuer undertakes to use reasonable endeavours to give notice to the Bondholders of the occurrence of any Relegation Event, Change of Control or Material Asset Sale within 10 Business Days upon becoming aware of such event.

6.4 All payments of principal and Interest in respect of the Canaries Bonds shall, at the Bondholder's risk, be made by the Issuer:

- 6.4.1** in the case of Interest in the form of cash, by cheque to the address specified by the Bondholder in their Tifosy Profile;

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6.4.2 in the case of Interest in the form of Club Credit, by credit note (or such other means of providing credit as the Issuer may determine) issued to the address provided by the Bondholder in their Tifosy Profile; and

6.4.3 subject to the prevailing withholding tax at the base standard rate of income tax applicable to the Bondholder, free and clear of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed, unless such withholding or deduction is required by law. In that event, the Issuer shall make such further withholding or deduction and shall, where required, account to the relevant tax authority for such withholding or deduction. For the avoidance of doubt, in such circumstances, the Issuer shall not be required to increase or gross-up any payment of principal or Interest made hereunder.

6.5 All of the Canaries Bonds redeemed by the Issuer pursuant to the terms of this Instrument will be cancelled and will not be available for re-issue.

6.6 The Issuer or the Registrar will send by email (or otherwise make available by electronic means) to the Bondholders within 10 Business Days of each Interest Payment Date, a certificate of deduction of tax in respect of the tax deducted or withheld from each payment made pursuant to Clause 6.2 in the preceding 12 month period.

7. PRE-PAYMENT

Notwithstanding the provisions of Clause 6, the Issuer will be entitled to pre-pay any or all of the principal amount of the Canaries Bonds together with Interest accrued thereon at any time after the first anniversary of the Issue Date.

8. DEFAULT EVENTS

8.1 Notwithstanding Clauses 6 and 7 and subject to Clause 8.2, all outstanding Canaries Bonds shall become immediately repayable, at the option of a Bondholder, at a purchase price in cash equal to 100% of the principal amount of the Bonds, together with all accrued Interest up to and including the date of redemption, on the happening of any of the following events (each a “**Default Event**”):

8.1.1 an order is made or an effective resolution passed for winding-up or liquidation of the Issuer (otherwise than for the purposes of or in the course of a solvent re-organisation, reconstruction or amalgamation); or

8.1.2 an encumbrancer has taken possession of or if a receiver, administrative receiver, liquidator, judicial factor or other similar officer is appointed to take possession of the whole or any material part of the property or undertaking of the Issuer and in any such case is not discharged, withdrawn or removed within 14 days of possession being taken or an appointment being made provided that at all times during such period the Issuer is contesting such possession or appointment in good faith and diligently; or

8.1.3 any administration order or any administration application has been made in respect of the Issuer; or

8.1.4 any procedure or step analogous to the events set out in Clause 8.1.1 to 8.1.3 is taken in any jurisdiction; or

8.1.5 failure by the Issuer or any of its subsidiaries to comply for 90 days with any other agreement or obligation contained in this Instrument including, for the avoidance of doubt, the provisions of Clause 5 (*Covenants*).

8.2 The Issuer will use reasonable endeavours to give notice to the Bondholders of the occurrence of any Default Event within 10 Business Days upon becoming aware of the same. If any Bondholder shall waive in writing its right of repayment of the Aggregate Nominal Amount due to it, the Canaries Bonds held by such Bondholder shall remain outstanding and not to be repaid by reason of that Default Event or any other event.

9. NON-CONVERSION

Neither the principal amount of the Canaries Bonds nor any accrued Interest thereon shall be capable of conversion into shares or other securities in the Issuer.

10. CERTIFICATES

10.1 The Bond Certificates will be in the form approved by the Issuer.

10.2 The Issuer will recognise the Bondholder entered in the Register as the absolute owner of the relevant Canaries Bonds. The Issuer is not bound

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to take notice or see to the execution of any trust whether express, implied or constructive to which any Canaries Bonds may be subject.

- 10.3** If any of the Bondholder's Canaries Bonds are due to be redeemed under any of the provisions of this Instrument, the Bondholder shall, if requested by the Issuer, provide the Issuer and the Registrar with its up to date account details and, upon such delivery, the Issuer shall pay the relevant redemption amount to the Bondholder and the relevant Bond Certificate shall be cancelled.
- 10.4** If any of the Bondholder's Canaries Bonds are liable to be redeemed under any of the provisions of this Instrument, and, following a request by the Issuer, the Bondholder fails to respond or provide up to date account details for redemption, then the Issuer may set aside the relevant amount due to the Bondholder, pay that amount into a separate interest-bearing bank account which shall be held by the Issuer in trust for the Bondholder (but without interest (save as may accrue in such account)) and such setting aside shall be deemed, for all purposes of these conditions, to be a payment to the Bondholder and the Issuer shall thereby be discharged from all obligations in connection with such Canaries Bonds. If the Issuer shall place such amount on deposit at a bank, the Issuer shall not be responsible for the safe custody of such amount or for any interest accruing on such amount in such account.

11. TRANSFER

The Canaries Bonds are not transferable in whole or in part and neither the Issuer nor its Board of Directors shall approve, or arrange or participate in any transfer of any of the Canaries Bonds whether by registration or otherwise.

12. TRANSMISSION

12.1 Any person becoming entitled to Canaries Bonds as a result of the death or bankruptcy of a Bondholder or of any other event giving rise to the transmission of such Canaries Bonds by operation of law may, upon producing such evidence as reasonably required by the Board of Directors of the Issuer, be registered as the Bondholder of such Canaries Bonds.

12.2 In the case of death of a registered holder of Canaries Bonds, the only persons recognised by the Issuer as having any title to such Canaries Bonds are the executors or administrators of a deceased sole registered holder of those Canaries Bonds or such other person or persons as the Board of Directors of the Issuer may reasonably determine and they will be entitled to the benefits provided under this Instrument.

13. REGISTER OF CANARIES BONDS

13.1 The Issuer will at all times keep at its Registered Address, or at such other place as the Issuer may have appointed for the purpose, a register showing:

- 13.1.1 the nominal amount of the Canaries Bonds held by the Bondholder;
- 13.1.2 the certificate number of each Bond issued;

13.1.3 the date of issue and all subsequent transmissions of ownership; and

13.1.4 the name and address of the Bondholder(s).

13.2 The Bondholder may at all reasonable times during office hours inspect his/her details entered in the Register and take copies of such details from the Register.

13.3 The Register may be closed by the Issuer for such periods and at such times as it thinks fit but not more than thirty (30) days in any calendar year.

13.4 Any change of name or address on the part of the Bondholder must be notified in writing to the Registrar (or as the Issuer may direct) and the Register will be altered accordingly.

14. WARRANTIES AND UNDERTAKINGS

14.1 The Issuer undertakes to the Bondholder that it will perform and observe the obligations imposed by this Instrument.

14.2 The Issuer warrants to the Bondholder on the date of this Instrument, and at all times while such Bondholder holds Canaries Bonds, that:

- 14.2.1 it has the power and authority to issue the Canaries Bonds to exercise its rights and perform its obligations under the Canaries Bonds;
- 14.2.2 it has the power and authority to enter into this Instrument and to exercise its rights and perform its obligations under this Instrument;

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14.2.3 it has taken all necessary corporate, shareholder and other action to authorise the execution, delivery and performance of this Instrument; and

14.2.4 it has been duly incorporated, constituted or amalgamated and is validly subsisting and is in good standing under the laws of the jurisdiction in which it is incorporated, constituted or amalgamated.

15. NOTICE

15.1 Any notice or other communication to be given under this Instrument must be in writing and will be served by delivering it personally or sending it by pre-paid post or by email (in the case of email, to the Bondholder only) to the address or email address, as applicable, for the attention of the party to be notified. Any notice will be deemed to have been received:

15.1.1 if delivered personally, at the time of delivery;

15.1.2 in the case of pre-paid post, 48 hours from the date of posting; or

15.1.3 in the case of email, on the Business Day following the day on which it was transmitted.

15.2 If deemed receipt occurs before 9am on a Business Day the notice is deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm, the notice is deemed to have been received at 9am on the next Business Day.

15.3 The addresses of the parties for the purposes of

the Instrument are as set out in the Register from time to time, and in the case of email addresses as advised by the Bondholder from time to time, or such other address or email address as may be notified in writing from time to time by the relevant party to the other party.

15.4 It is the Bondholder's responsibility to keep all personal details and addresses for notifications, including email addresses up to date with the Registrar and in their Tifosy Profile.

16. COSTS AND EXPENSES

Each party shall pay its own costs, charges and expenses relating to the execution and implementation of this Instrument.

17. THIRD PARTY RIGHTS

No person shall have a right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this Instrument.

18. GOVERNING LAW AND JURISDICTION

18.1 This Instrument and the Canaries Bonds are governed by and shall be construed in accordance with the law of England and Wales.

18.2 Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of or in connection with this Instrument.

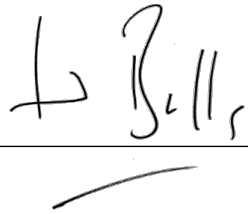
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THIS INSTRUMENT HAS BEEN EXECUTED AS A DEED AND IS DELIVERED AND TAKES EFFECT ON THE DATE FIRST SET OUT ABOVE.

EXECUTED AS A DEED

for and on behalf of
NORWICH CITY FOOTBALL CLUB PLC
acting by:

Director



EXECUTED AS A DEED

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