

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS.**

**If Bondholders are in any doubt about any aspect of the proposals in this notice and/or the action they should take, they are recommended to seek their own financial advice immediately from their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if they are in the United Kingdom) or from another appropriately authorised independent financial adviser (if they are not in the United Kingdom) and such other professional advisor from their own professional advisors as they deem necessary.**

**FURTHER INFORMATION REGARDING THE MATTERS REFERRED TO IN THIS ANNOUNCEMENT IS AVAILABLE IN THE CONSENT SOLICITATION MEMORANDUM (AS DEFINED BELOW) ISSUED BY THE ISSUER TODAY, AND ELIGIBLE BONDHOLDERS MUST READ THIS ANNOUNCEMENT IN CONJUNCTION WITH THE CONSENT SOLICITATION MEMORANDUM.**

**NATIONWIDE BUILDING SOCIETY**

*(incorporated in England and Wales under the Building Societies Act 1986, as amended)*  
(the **Issuer** or **Nationwide**)

**NOTICE OF BONDHOLDER MEETING**

to the holders of the

**£1,000,000,000 Floating Rate Series 2018-01 Covered Bonds due 12 April 2023 (ISIN: XS1806359714)**

(the **Bonds**, and the holders thereof, the **Bondholders**)

of the Issuer currently outstanding.

NOTICE IS HEREBY GIVEN that a meeting (the **Meeting**) of the Bondholders of the Bonds convened by the Issuer will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on 7 November 2019 for the purpose of considering and, if thought fit, passing the resolution set out below which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed dated 30 November 2005 as amended, restated, modified and/or supplemented from time to time (the **Trust Deed**) made between the Issuer, Nationwide Covered Bonds LLP (the **LLP**) and Citicorp Trustee Company Limited as the bond trustee (the **Bond Trustee**) and security trustee (the **Security Trustee**) for the Bondholders and constituting the Bonds. The Meeting will commence at 9 a.m. (London time).

Capitalised terms used in this Notice and not otherwise defined herein shall have the meanings given to them in the Consent Solicitation Memorandum, which is available upon request from the Tabulation Agent (see *Documents Available for Inspection* below). In accordance with normal practice, each of the Bond Trustee, the Security Trustee, the Tabulation Agent, the Solicitation Agent, the Principal Paying Agent and the Paying Agent have not been involved in the formulation of, express no opinion on, and make no representations as to the merits of, the Bondholder Proposal set out in the Consent Solicitation Memorandum, the Extraordinary Resolution, the proposed amendments referred to in the Extraordinary Resolution set out in the Consent Solicitation Memorandum and in Annex 1 hereto.

*Bondholders who have submitted and not revoked (in the limited circumstances in which revocation is permitted) a valid Consent Instruction or Ineligible Holder Instruction in respect of the Extraordinary Resolution by 4 p.m. (London time) on 4 November 2019 (the **Expiration Deadline**), by which they will have*

*given instructions for the appointment of one or more representatives of the Tabulation Agent by the Principal Paying Agent as their proxy to vote in favour of or against (as specified in the Consent Instruction or Ineligible Holder Instruction) the Extraordinary Resolution at the Meeting (or any adjourned such Meeting), need take no further action to be represented at the Meeting (or any such adjourned Meeting).*

## **GENERAL INFORMATION**

**No consent fee will be payable in connection with this Consent Solicitation.**

**The attention of Bondholders is particularly drawn to the quorum required for the Bondholders Meetings and for any adjourned Meeting which is set out in "Voting and Quorum" below. Having regard to such requirements, Bondholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting, as referred to below, as soon as possible.**

## **VOTING AND QUORUM**

### **A. For Covered Bonds held through Euroclear or Clearstream, Luxembourg:**

The provisions governing the convening and holding of the Meeting are set out in Schedule 4 (*Provisions for Meetings of Covered Bondholders*) to the Trust Deed, a copy of which is available for inspection by the Bondholders during normal business hours at the specified office of the Tabulation Agent set out below. The following is a summary of the provisions in Schedule 4 (*Provisions for Meetings of Covered Bondholders*) to the Trust Deed.

A Bondholder wishing to attend the Meeting in person must produce at the Meeting a valid voting certificate issued by the Tabulation Agent relating to the Bond(s) in respect of which he wishes to vote.

Any Bondholder who wishes to vote in respect of the Extraordinary Resolution but does not wish to attend the Meeting in person should: (i) in the case of a Beneficial Owner whose Bonds are held in book-entry form by a custodian, request such Beneficial Owner's custodian to vote on the Extraordinary Resolution in accordance with the procedures set out in Section 5 – Procedures in connection with the Consent Solicitation of the Consent Solicitation Memorandum, or (ii) in the case of a Bondholder whose Bonds are held in book-entry form directly in the relevant Clearing System, vote on the Extraordinary Resolution in accordance with the procedures set out in Section 5 – Procedures in connection with the Consent Solicitation of the Consent Solicitation Memorandum. Bondholders should note that the timings and procedures set out below reflect the requirements for Bondholders' meetings set out in the Trust Deed, but that the Clearing Systems and the relevant intermediaries may have their own additional requirements as to timings and procedures for voting on the Extraordinary Resolution. Accordingly, Bondholders wishing to vote in respect of the Extraordinary Resolution are strongly urged either to contact their custodian (in the case of a Beneficial Owner whose Bonds are held in book-entry form by a custodian) or the relevant Clearing System (in the case of a Bondholder whose Bonds are held in book-entry form directly in the relevant Clearing System), as soon as possible.

A Bondholder not wishing to attend and vote at the Meeting in person may give an electronic voting instruction (by giving his voting instructions to Clearstream, Luxembourg and/or Euroclear (as applicable)) in favour or against the relevant Extraordinary Resolution to the Clearing System which will then be included in a block voting instruction to be issued by the Principal Paying Agent appointing the Tabulation Agent as a proxy to attend and vote at the Meeting. By giving such electronic voting instruction, the Bondholder irrevocably authorises Clearstream, Luxembourg and/or Euroclear (as applicable) to disclose to the Tabulation Agent all information relating to or in connection with the holding of the Bonds or the account in which the Bonds are held.

A Bondholder must request Clearstream, Luxembourg and/or Euroclear (as applicable) to block the Bonds in his own account and to hold the same to the order or under the control of the Tabulation Agent not later than 48 hours before the time appointed for holding the Meeting and within the relevant time specified by the relevant Clearing System in order to obtain voting certificates or give voting instructions in respect of the Meeting. Bonds so blocked will not be released until the earlier of:

- (a) the conclusion of the Meeting (or, if applicable, any adjourned Meeting); and
- (b)
  - (i) in respect of voting certificate(s), the surrender to the Tabulation Agent of such voting certificate(s) and notification by the Tabulation Agent to the relevant Clearing System of such surrender or the compliance in such other manner with the rules of Clearstream, Luxembourg and/or Euroclear (as applicable); or
  - (ii) in respect of block voting instructions, not less than 48 hours before the time for which the Meeting (or, if applicable, any adjourned Meeting) is convened, the notification in writing of any revocation of a Covered Bondholder's previous instructions to the Tabulation Agent and the same then being notified in writing by the Tabulation Agent to the Issuer at least 48 hours before the time appointed for holding the Meeting and such Bonds ceasing in accordance with the procedures of Clearstream, Luxembourg and/or Euroclear (as applicable) and with the agreement of the Tabulation Agent to be held to its order or under its control.

**B. General provisions relating to the Meeting:**

1. The quorum at the Meeting for passing each Extraordinary Resolution shall (subject as provided below) be one or more persons holding Bonds or voting certificates or being proxies in respect thereof and holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Bonds for the time being outstanding. If, within fifteen minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for the Meeting, a quorum is not present at the Meeting, the Meeting shall be adjourned for such period (which shall be not less than 13 clear days and not more than 42 clear days) and to such place as the Chairman determines either at or subsequent to such adjourned Meeting (with the approval of the Bond Trustee). The Extraordinary Resolution will be considered at an adjourned Meeting (notice of which will be given to the Bondholders). The quorum at such an adjourned Meeting will be one or more persons holding Bonds or voting certificates or being proxies in respect thereof and holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Bonds of such Series so held or represented.
2. Every question submitted to the Meeting will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Guarantor, the Bond Trustee or any person present holding a Definitive Covered Bond or a voting certificate or being a proxy or representative (whatever the principal amount of the Bonds so held or represented by him). On a show of hands every person who is present in person and produces a voting certificate or is a Holder of Bonds or is a proxy or representative shall have one vote. On a poll every person who is so present in person or is a proxy shall have one vote in respect of £1 in the Principal Amount Outstanding of the Bonds represented or held by such person. 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 Bondholder or as a Holder of a voting certificate or as a proxy or as a representative.
3. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than 75% of the votes cast on such Extraordinary Resolution. If passed, the Extraordinary Resolution will be

binding upon all the Bondholders, whether or not present at the Meeting and whether or not voting. Bondholders should, however, be aware that the implementation of the Bondholder Proposal will be conditional upon, among other things, the passing of the Extraordinary Resolution.

### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of items (a) and (c) below (together, the **Bondholder Information**) will be available from the date of this Notice, for inspection by existing Bondholders from the Tabulation Agent, at the specified office of the Principal Paying Agent and copies of the documents listed at item (b) are available at the following website: [www.dealroadshow.com](http://www.dealroadshow.com), entry code: NLCS2097 (case sensitive).

- (a) this Notice;
- (b) the Transaction Documents (as defined in the Trust Deed);
- (c) the current drafts of the Amended and Restated Final Terms, the Supplemental Trust Deed and the Intercompany Loan Agreement Supplement, each as referred to in the Extraordinary Resolution set out below (the **Amendment Documents**); and
- (d) such other ancillary documents as may be approved by the Bond Trustee and/or such other relevant party as are necessary or desirable to give effect to the Bondholder Proposal in full.

This Notice should be read in conjunction with the Bondholder Information.

The Bondholder Information may be supplemented from time to time. Existing Bondholders should note that the Amendment Documents may be subject to amendment. Should such amendments be made, revised versions will be available for inspection from the Tabulation Agent, at the specified office of the Principal Paying Agent and at the following website: [www.dealroadshow.com](http://www.dealroadshow.com), entry code: NLCS2097 (case sensitive).

Existing Bondholders will be informed of amendments to the Amendment Documents by announcements released on the regulatory news service of the London Stock Exchange.

### **CONTACT INFORMATION**

Further information relating to the Bondholder Proposal can be obtained from the Solicitation Agent directly:

**NatWest Markets Plc**

250 Bishopsgate

London, ECM 4AA

United Kingdom

Attention: Liability Management

Telephone number: +44 (0)20 7678 5282

Email: [liabilitymanagement@natwestmarkets.com](mailto:liabilitymanagement@natwestmarkets.com)

The address of the Principal Paying Agent, the Tabulation Agent, the Security Trustee and the Bond Trustee are set out below:

**Bond Trustee and Security Trustee**

Citicorp Trustee Company Limited  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Tabulation Agent**

Lucid Issuer Services Limited  
Tankerton Works  
12 Argyle Street  
London WC1H 8HA  
United Kingdom  
Telephone number: +44 (0)20 7704 0880  
E-mail: nationwide@lucid-is.com

**Principal Paying Agent**

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Bondholders whose Bonds are held through Euroclear or Clearstream, Luxembourg should contact the Tabulation Agent at the address details above for further information on how to vote at the Meeting.

This Notice is given by:

**NATIONWIDE BUILDING SOCIETY**

Dated 16 October 2019

## ANNEX 1

### EXTRAORDINARY RESOLUTION

#### IN RESPECT OF THE

#### **£1,000,000,000 FLOATING RATE SERIES 2018-01 COVERED BONDS DUE 12 APRIL 2023**

THAT this Meeting of the holders (together, the **Series 2018-01 Bondholders**) of the presently outstanding £1,000,000,000 Series 2018-01 Floating Rate Regulated Covered Bonds due 12 April 2023 (the **Series 2018-01 Bonds**) of Nationwide Building Society (the **Issuer**), constituted by the trust deed dated 30 November 2005 and amended, restated and/or supplemented on 27 November 2006, 25 June 2007, 30 April 2008, 3 July 2009, 6 January 2011, 7 January 2011, 28 June 2012, 17 July 2013, 1 July 2016, 19 July 2016, 27 July 2018, 20 December 2018, 5 July 2019 and 15 July 2019, and as further amended, restated, modified and/or supplemented from time to time (the **Trust Deed**) made between the Issuer and Nationwide Covered Bonds LLP (the **LLP**) and Citicorp Trustee Company Limited as the bond trustee (the **Bond Trustee**) and the security trustee (the **Security Trustee**) for the Series 2018-01 Bondholders HEREBY RESOLVES as an Extraordinary Resolution:

1. (subject to paragraph 9 of this Extraordinary Resolution) to assent to and approve the Bondholder Proposal (as defined in the Consent Solicitation Memorandum dated 16 October 2019 (the **Consent Solicitation Memorandum**)) and its implementation, as follows:
  - (a) the Rate of Interest for the Series 2018-01 Bonds from and including 12 January 2020 (with the first Interest Payment Date based on such new Rate of Interest being the Interest Payment Date falling in April 2020) will continue to be a floating rate bond, but will be equal to the sum of Compounded Daily SONIA plus a New Margin, to be calculated as set out in the Consent Solicitation Memorandum; and
  - (b) the adjusted Margin in respect of the Series 2018-01 Bonds (the **New Margin**) will be the sum of 0.26 per cent. plus the Forward Start Adjustment plus the LIBOR vs SONIA Interpolated Basis. The detailed provisions relating to the adjustment of the Margin, the Forward Start Adjustment and the calculation of the LIBOR vs SONIA Interpolated Basis by the Solicitation Agent are set out in **Annex B** to the Consent Solicitation Memorandum; and
  - (c) the terms of the Series 2018-01 Intercompany Loan are amended to reflect the change in the Rate of Interest, and the New Margin for the Series 2018-01 Bonds.
2. (subject to paragraph 9 of this Extraordinary Resolution) to authorise, direct, request and empower:
  - (e)
    - (i) the Issuer, the LLP, the Bond Trustee and the Security Trustee to execute a deed supplemental to the Trust Deed which amends Condition 4.2(b)(ii) (*Screen Rate Determination for Floating Rate Covered Bonds*) to include Compounded Daily SONIA as an Interest Basis in the Conditions applicable to the Series 2018-01 Bonds (the **Supplemental Trust Deed**);
    - (ii) the Issuer and the LLP to execute an amended and restated Final Terms document in respect of the Series 2018-01 Bonds to change the Interest Basis applicable to the Series 2018-01 Bonds from GBP LIBOR to Compounded Daily SONIA (the **Amended and Restated Final Terms**); and

- (iii) the Issuer, the Cash Manager, the LLP and the Security Trustee to execute a supplement to the Intercompany Loan Agreement which amends the terms of the Series 2018-01 Term Advance (the **Intercompany Loan Agreement Supplement**),

in each case to effect the modifications referred to in paragraph 1 of this Extraordinary Resolution, in the form or substantially in the form of the drafts produced to this Meeting; and

- (f) the Issuer, the Cash Manager, the LLP, the Bond Trustee and the Security Trustee to agree, execute and deliver and to do all such deeds, instruments, acts and things as may be necessary, desirable or expedient in their sole opinion to carry out and to give effect to this Extraordinary Resolution and the implementation of the modifications referred to in paragraph 1 of this Extraordinary Resolution;
3. to discharge, hold harmless, indemnify and exonerate each of the Bond Trustee and the Security Trustee from any and all liabilities for which it may have become or may become responsible under the Trust Deed or the Series 2018-01 Bonds in respect of any act or omission, including without limitation, in connection with this Extraordinary Resolution or its implementation, the modifications referred to in paragraph 1 of this Extraordinary Resolution or the implementation of those modifications;
  4. to waive any claim Bondholders may have against either of the Bond Trustee and the Security Trustee as a result of any liability they may suffer or incur as a result of acting upon this Extraordinary Resolution (including but not limited to circumstances where it is subsequently found that this Extraordinary Resolution is not valid or binding);
  5. to approve that the Bond Trustee be and is hereby authorised not to obtain any legal opinions in relation to, or to enquire into the power and the capacity of any person to enter into the Supplemental Trust Deed or any other amendments, or the due execution and delivery thereof by any party thereto or the validity and enforceability thereof;
  6. (subject to paragraph 9 of this Extraordinary Resolution) to sanction and assent to every abrogation, modification, compromise or arrangement in respect of the rights of the Series 2018-01 Bondholders appertaining to the Series 2018-01 Bonds against the Issuer, whether or not such rights arise under the Conditions, involved in, resulting from or to be effected by the amendments referred to in paragraph 1 of this Extraordinary Resolution and their implementation, their implementation, the implementation of the Bondholder Proposal or this Extraordinary Resolution;
  7. to waive any and all requirements, restrictions and conditions precedent set forth in the Transaction Documents on any person, in amending the Series 2018-01 Final Terms and in relation to the Supplemental Trust Deed and the Intercompany Loan Agreement Supplement, as well as the implementation of the Bondholder Proposal or this Extraordinary Resolution;
  8. to discharge and exonerate the Issuer from all liability for which it may have become or may become responsible under the Trust Deed, the Series 2018-01 Bonds or any Transaction Document or any document related thereto in respect of any act or omission in connection with the passing of this Extraordinary Resolution or the executing of any deeds, agreements, documents or instructions, the performance of any acts, matters or things to be done to carry out and give effect to the matters contemplated in the Amended and Restated Final Terms, the Supplemental Trust Deed, the Intercompany Loan Agreement Supplement, the Notice or this Extraordinary Resolution;
  9. to declare that the implementation of this Extraordinary Resolution shall be conditional on:
    - (a) the passing of this Extraordinary Resolution; and

- (b) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Bondholders, irrespective of any participation at this Meeting by Ineligible Bondholders and that, if the Extraordinary Resolution is passed at this Meeting but such condition is not satisfied, the chairman of this Meeting and the Bond Trustee are hereby authorised, directed, requested and empowered to adjourn this Meeting for such period being not less than 13 clear days nor more than 42 clear days, and to such place as may be appointed by the chairman of this Meeting and approved by the Bond Trustee, for the purpose of reconsidering resolutions 1 to 10 of this Extraordinary Resolution with the exception of this resolution 9(b) of this Extraordinary Resolution. At any such adjournment of this Meeting, one or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Series 2018-01 Bonds shall form a quorum and shall have the power to pass such Extraordinary Resolution, and this condition set out in this paragraph 9(b) will be satisfied if the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Bondholders irrespective of any participation at the adjourned Meeting by Ineligible Bondholders; and
- 10. to agree that capitalised terms in this Extraordinary Resolution where not defined herein shall have the meanings given to them in the Consent Solicitation Memorandum (a copy of which is available for inspection as referred to in the Notice).