

ANNEX I

(Amended and Restated Tier 2 Conditions)

AMENDED AND RESTATED TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with Part A of the relevant Final Terms or, in the case of Exempt Notes, as supplemented, amended and/or replaced by the relevant Pricing Supplement, shall be applicable to Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or the Pricing Supplement, as applicable, or (ii) these terms and conditions as so completed (or so supplemented, amended and/or replaced, as the case may be) shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in the terms and conditions will have the meanings given to them in Part A of the relevant Final Terms or in the relevant Pricing Supplement, as applicable. Those definitions will be endorsed on Notes in definitive form or Certificates (as the case may be). The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Forms of the Notes—Summary of Provisions relating to the Notes while in Global Form" below. The wording appearing in italics below is included for disclosure purposes only and does not form part of the terms and conditions of the Notes.

This Note is one of a series (each a "Series") issued pursuant to the £10,000,000,000 Global Medium Term Note Programme (the "**Programme**") established by Virgin Money UK PLC (an "~~the "Original Issuer"~~ or the "**Company**""), on 25 May 2017. Clydesdale Bank PLC (an "~~Issuer~~" or the "**Bank**" and together with the Company, the "**Issuers**") was added as an issuer under the Programme on 1 July 2019.

On [•] 2025 (the "**Implementation Date**"), Nationwide Building Society (the "**Issuer**") was substituted in place of the Original Issuer as the issuer of the £300,000,000 2.625 per cent. Fixed Rate Reset Callable Subordinated Tier 2 Capital Notes due 2031 (the "**2031 Notes**") pursuant to a supplemental trust deed between the Original Issuer, the Bank, the Issuer and Citicorp Trustee Company Limited dated [•] 2025 (the "**2031 Supplemental Trust Deed**").

This Note is constituted by a Trust Deed dated 24 March 2021 ~~(as amended, restated, modified and/or supplemented as at the Issue Date (as defined below) of the first Tranche (as defined below) of the Notes of the relevant Series, the "**Trust Deed**") between the Company~~ between the Original Issuer, the Bank and Citicorp Trustee Company Limited (the "**Trustee**" which expression shall wherever the context so admits include its successors) ~~and has the benefit of an Agency Agreement dated 24 March 2021 (as amended, restated, modified and/or supplemented~~ as at from time to time, including, in the case of the Issue Date of the first Tranche of 2031 Notes of only, by the 2031 Supplemental Trust Deed) (the relevant Series, "**Trust Deed**") and has the "benefit of an Agency Agreement" dated 24 March 2021 made between, *inter alios*, the ~~Company~~ Original Issuer, the Bank, the Trustee, Citibank, N.A., London Branch as initial principal paying agent and the other agents named therein; ~~(as amended, restated, modified and/or supplemented from time to time, including in the case of the 2031 Notes only, by a supplemental agency agreement dated the Implementation Date) (the "**Agency Agreement**").~~ The principal paying agent, the paying agents, the registrar, the transfer agents and the calculation agent for the time being (if any) are referred to below, respectively, as the "**Principal Paying Agent**", the "**Paying Agents**" (which expression shall include the Principal Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent**". The Trustee shall exercise the duties, powers, trusts, authorities and discretions vested in it by the Trust Deed separately in relation to each Series of Notes in accordance with the provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection free of charge during normal business hours at the office for the time being of the Principal Paying Agent (being as at ~~24 March 2021~~ [•] 2025, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom). ~~References in these Conditions to the "**Issuer**" are to the entity named as such in the applicable Final Terms or Pricing Supplement, as applicable.~~

Holders of Notes and, in relation to any Series of Bearer Notes, any coupons ("**Coupons**") or talons for further Coupons ("**Talons**") appertaining thereto are entitled to the benefit of, are bound by, and will be deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

The term "**Notes**" means debt instruments, by whatever name called, issued under the Programme. The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms or Pricing Supplement, as applicable. Notes issued under the Programme are issued in Series and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche, for which

a prospectus is required in connection with such issue in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"), is the subject of the relevant final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). Each Tranche, for which no prospectus is required in connection with such issue in accordance with the UK Prospectus Regulation ("**Exempt Notes**"), is the subject of a pricing supplement (the "**Pricing Supplement**"), which supplements, amends and/or replaces these Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms or, as supplemented, amended and/or replaced by the relevant Pricing Supplement, as the case may be. In the event of any inconsistency between these Conditions and the relevant Final Terms or Pricing Supplement (as applicable), the relevant Final Terms or Pricing Supplement (as applicable) shall prevail. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions.

1. **Interpretation**

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Authorised Signatories**" has the meaning given in the Trust Deed;

"**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security having a maturity date on or about the last day of such Reset Period as the Calculation Agent, following consultation with the ~~Issuers~~[Issuer](#) and with the advice of the Reference Banks, may determine to be appropriate;

"**Benchmark Gilt Rate**" means, in respect of a Reset Period and subject to Condition 5(e) (*Fallback – Benchmark Gilt Rate*), the gross redemption yield (as calculated by the Calculation Agent in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Reference Banks at 3.00 p.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following dealing day in London. If four quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided;

"**Broken Amount**" means, in respect of any Notes, the amount (if any) that is specified in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in

London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Capital Regulations" means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity for credit institutions of either (A) the Competent Authority and/or (B) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the Issuer may be organised or domiciled) and applicable to the Group, including UK CRD;

"CMS Rate" means the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at (A) the Determination Time specified in the relevant Final Terms or (B) if no Determination Time is specified in the relevant Final Terms, 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question, all as determined by the Calculation Agent;

"CMS Rate Fixing Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in each CMS Rate Fixing Centre specified in the relevant Final Terms;

"Competent Authority" means the United Kingdom Prudential Regulation Authority or any successor or replacement thereto or such other authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Group;

"Compliant Notes" means, in relation to any Existing Notes, securities:

- (a) that are issued directly by the relevant Issuer;
- (b) that have a ranking at least equal to the Existing Notes;
- (c) that are listed on a recognised stock exchange within the meaning of Section 1005 of the Income Tax Act 2007 (as the same may be amended, supplemented or replaced from time to time) and/or are admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system, in each case to the extent, and on the same such other listing authority, stock exchange and/or quotation system, that the Existing Notes were so listed or admitted to listing, trading, and/or quotation (as the case may be) immediately prior to such substitution or variation; and
- (d) where the Existing Notes had a published solicited rating from one or more rating agencies immediately prior to their substitution or variation, to which each such rating agency has assigned, or informed the relevant Issuer by an announcement or otherwise of its intention to assign, an equal or higher published solicited rating,

provided that such securities:

- (i) contain terms that comply with the Capital Regulations in relation to Tier 2 Capital, in the case of any Existing Notes that are Tier 2 Capital Notes, or in relation to eligible liabilities instruments, in the case of any Existing Notes that are Senior Notes (in each case meaning instruments that qualify as such for the purposes of the Capital Regulations);
- (ii) include terms which provide for the same Rate of Interest, Interest Payment Dates, Maturity Date and amounts payable on redemption as apply from time to time to the Existing Notes immediately prior to such substitution or variation;
- (iii) shall preserve any existing rights under the Conditions to any accrued interest, principal and/or premium which have not been satisfied;
- (iv) do not contain terms providing for the mandatory or voluntary deferral of payments of principal and/or interest; and
- (v) have terms not materially less favourable to Noteholders than the terms of the Existing Notes (as reasonably determined by the relevant Issuer in consultation with an Independent Adviser, and provided that a certification to such effect of two Authorised Signatories of the Issuer shall have been delivered to the Trustee prior to the issue of the relevant securities);

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Couponholders" means the holders of the Coupons (whether or not attached to the relevant Notes);

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **"30/360"** is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (g) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (1) that day is the last day of February or (2) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (1) that day is the last day of February but not the Maturity Date or (2) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from (and including) the first day of the Calculation Period to (but excluding) the last day of the Calculation Period;

"dealing day" means a day, other than a Saturday or Sunday, on which the London Stock Exchange (or such other stock exchange on which the Benchmark Gilt is at the relevant time listed) is ordinarily open for the trading of securities;

"Designated Maturity" shall have the meaning specified in the relevant Final Terms;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"EU CRD" means:

- (a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended before IP completion day; and
- (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended before IP completion day;

"EURIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Eurozone interbank offered rate which is calculated and published by a designated distributor (as at the date of the Base Prospectus, Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"Existing Notes" has the meaning given to it in Condition 9(m) (*Substitution or Variation*);

"Extraordinary Resolution" has the meaning given in the Trust Deed;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"First Margin" means the margin specified as such in the relevant Final Terms;

"First Reset Date" means the date specified in the relevant Final Terms;

"First Reset Period" means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date;

"First Reset Rate of Interest" means, in respect of the First Reset Period and subject to Conditions 5(d) (*Fallback – Mid-Swap Rate*) and 5(e) (*Fallback – Benchmark Gilt Rate*) (as applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the First Margin;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Fixed Rate Note" means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or 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 relevant Final Terms);

"Floating Rate Note" means a Note on which interest is calculated at a floating rate payable at intervals of one, two, three, six or 12 months or at such other intervals as may be agreed between the relevant Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"Group" means the ~~Company~~ Issuer and ~~each entity its subsidiaries, all of which is part of~~ are consolidated, unless the UK prudential consolidation group (as that term, or its successor, is used in the Capital Regulations) of which the Issuer is part from time to time context otherwise requires;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 2(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 2(d) (*Title to Registered Notes*);

"Initial Rate of Interest" has the meaning specified in the relevant Final Terms;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" shall mean:

- (a) if the Reference Rate is not CMS Rate, the date specified as such in the relevant Final Terms, or if none is so specified, if the Reference Rate is EURIBOR, the second day on which TARGET2 is open prior to the start of each Interest Period; or
- (b) if the Reference Rate is CMS Rate, the date specified as such in the relevant Final Terms, provided that if any day specified as an Interest Determination Date in the relevant Final Terms is not a CMS Rate Fixing Day, the relevant Interest Determination Date shall be the immediately preceding CMS Rate Fixing Day;

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the first Interest Payment Date or next Interest Payment Date (as the case may be);

"ISDA Benchmarks Supplement" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as

specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc.;

"ISDA Definitions" means the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of Notes of the relevant Series (as specified in the relevant Final Terms) and if specified in the relevant Final Terms as supplemented by any supplement to the ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") including, if specified in the relevant Final Terms, the ISDA Benchmarks Supplement);

"Issue Date" has the meaning given in the relevant Final Terms;

"Junior Securities" has the meaning given in Condition 3(b)(ii) (*Tier 2 Capital Notes*);

a **"Loss Absorption Disqualification Event"** shall be deemed to occur if as a result of any amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the last Tranche of Notes of the relevant Series, the Notes are or (in the opinion of the [Company Issuer](#) or the Relevant Authority) are likely to be fully or (if so specified in the relevant Final Terms) partially excluded from the [Company's Issuer's](#) and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the [Company Issuer](#) and/or the Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the [Company Issuer](#) and/or the Group on the Issue Date of the last Tranche of Notes of the relevant Series;

"Loss Absorption Regulations" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the United Kingdom, the Competent Authority, the Resolution Authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in the United Kingdom and applicable to the [Company Issuer](#) and/or the Group including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Competent Authority and/or the Resolution Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the [Company Issuer](#) or to the Group);

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Rate of Interest" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Mid-Market Swap Rate" means, for any Reset Period, the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (A) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (B) is in an amount that is representative for a single transaction in the relevant market at the

relevant time with an acknowledged dealer of good credit in the swap market and (C) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent);

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"Mid-Swap Floating Leg Benchmark Rate" means EURIBOR if the Specified Currency is euro or SONIA if the Specified Currency is pounds sterling or if the Specified Currency is not euro or pounds sterling, the Reference Rate as specified in the relevant Final Terms;

"Mid-Swap Maturity" has the meaning given in the relevant Final Terms;

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 5(d) (*Fallback – Mid-Swap Rate*), either:

- (a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date, which appears on the Relevant Screen Page; or
- (b) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date, which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

"Minimum Rate of Interest" has the meaning given in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 2(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 2(d) (*Title to Registered Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Loss Absorption Disqualification Event)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Regulatory Event)" means, in respect of any Tier 2 Capital Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Order" means the Banks and Building Societies (Priorities on Insolvency) Order 2018, as may be amended or replaced from time to time;

"Parity Securities" has the meaning given in Condition 3(b)(i) (*Tier 2 Capital Notes*);

"Payment Business Day" means:

- (a) if the currency of payment is euro, any day (other than a Saturday, Sunday or public holiday) which is:
 - (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or (b) commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent has its Specified Office; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day (other than a Saturday, Sunday or public holiday) which is:
 - (i) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or (b) commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent has its Specified Office; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;
- (b) in relation to Australian dollars, it means Sydney; and
- (c) in relation to New Zealand Dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means (A) in the case of Notes other than Reset Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms; and (B) in the case of Reset Notes, the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Termination Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Loss Absorption Disqualification Event), the Optional Redemption Amount (Put), the Optional Redemption Amount (Regulatory Event) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Reference Banks" (A) in the case of Notes other than Reset Notes and Floating Rate Notes where the Reference Rate is CMS Rate, has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate; (B) in the case of Floating Rate Notes where the Reference Rate is CMS Rate, (1) where the Reference Currency is euro, the principal office of four leading swap dealers in the Eurozone inter-bank market, (2) where the Reference Currency is pounds sterling, the principal London office of four leading swap dealers in the London inter-bank market, (3) where the Reference Currency is U.S. dollars, the principal New York City office of four leading swap dealers in the New York City inter-bank market, or (4) in the case of any other Reference Currency, the principal Relevant Financial Centre office of four leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Issuer; and (C) in the case of Reset Notes, has the meaning given in the relevant Final Terms or, if none (1) in the case of the calculation of a Mid-Market Swap Rate, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute or (2) in the case of the calculation of a Benchmark Gilt Rate, four brokers of gilts and/or gilt-edged market makers as selected by the Issuer on the advice of an investment bank of international repute;

"Reference Currency" has the meaning given in the relevant Final Terms;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" shall mean (A) EURIBOR or (B) SONIA, in each case for the relevant currency and for the relevant period as specified in the relevant Final Terms;

"Regular Period" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

a **"Regulatory Event"** shall be deemed to occur if there is a change in the regulatory classification of the Tier 2 Capital Notes that becomes effective on or after the Issue Date of the last Tranche of the Tier 2 Capital Notes that results, or would be likely to result, in the whole or any part of the outstanding principal amount of the Tier 2 Capital Notes at any time being excluded from the Tier 2 Capital of the Group;

"Relevant Authority" means the Resolution Authority, in the case of the Senior Notes, or the Competent Authority, in the case of the Tier 2 Capital Notes.

"Relevant Date" means, in relation to any payment, whichever is the later of (A) the date on which the payment in question first becomes due and (B) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Jurisdiction" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the relevant Issuer becomes subject in respect of payments made by it of principal, premium (if any) and interest on the Notes;

"Relevant Screen Page" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Swap Rate" means:

- (a) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed- for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUREURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;
- (b) where the Reference Currency is pounds sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating pounds sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (1) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (c) where the Reference Currency is U.S. dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating

U.S. dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

- (d) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Calculation Agent in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"Reserved Matters" has the meaning given in the Trust Deed;

"Reset Date" means the First Reset Date and each Subsequent Reset Date (as applicable);

"Reset Determination Date" means, unless otherwise specified in the relevant Final Terms, the second Business Day prior to each relevant Reset Date;

"Reset Note" means a Note which bears interest at a rate of interest which is recalculated at specified intervals;

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"Reset Rate" means (A) if **"Mid-Swap Rate"** is specified in the relevant Final Terms, the relevant Mid-Swap Rate or (B) if **"Benchmark Gilt Rate"** is specified in the relevant Final Terms, the relevant Benchmark Gilt Rate;

"Resolution Authority" means the Bank of England or any successor or replacement thereto or such other authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the recovery and/or resolution of the of the Issuer and/or the Group;

"SONIA" shall have the meaning given to such term in Condition 6(e) (*Screen Rate Determination for Floating Rate Notes which reference SONIA*);

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsequent Margin" means the margin(s) specified as such in the relevant Final Terms;

"Subsequent Reset Date" means the date or dates specified in the relevant Final Terms;

"Subsequent Reset Period" means the period from (and including) the first Subsequent Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 5(d) (*Fallback – Mid-Swap Rate*) and 5(e) (*Fallback – Benchmark Gilt Rate*) (as applicable), the rate of interest determined by the Calculation

Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the relevant Subsequent Margin;

"**Subsidiary**" means each subsidiary undertaking (as defined under Section 1159 of the Companies Act 2006) for the time being of the Issuer;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Tax Event**" has the meaning given in Condition 9(c) (*Redemption for Tax Event*);

"**Tier 1 Capital**" means Tier 1 Capital for the purposes of the Capital Regulations;

"**Tier 2 Capital**" means Tier 2 Capital for the purposes of the Capital Regulations;

"**UK CRD**" means the legislative package consisting of:

- (A) the UK CRD Regulation;
- (B) the law of the UK or any part of it, which immediately before IP completion day (as defined in the Withdrawal Act) implemented Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and its implementing measures; and
- (C) direct EU legislation (as defined in the Withdrawal Act), which immediately before IP completion day (as defined in the Withdrawal Act) implemented EU CRD as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act;

"**UK CRD Regulation**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investments firms, as amended before IP completion day as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act;

"**Winding-Up**" means if:

- (a) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of Noteholders and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions);
- (b) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend; or
- (c) liquidation or dissolution of the Issuer or any procedure similar to that described in (a) or (b) above is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009;

"**Winding-Up Event**" means with respect to the Notes, if (1) a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer may be incorporated) makes an order for the winding-up of the Issuer which is not successfully appealed within

30 days of the making of such order or the Issuer's shareholders adopt an effective resolution for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, merger or amalgamation the terms of which, have previously been approved in writing by the Trustee or by an Extraordinary Resolution of Holders and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions); or (2) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend; or (3) liquidation or dissolution of the Issuer or any procedure similar to that described in (1) or (2) above is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009;

"Withdrawal Act" means the European Union (Withdrawal Act) 2018; and

"Zero Coupon Note" means a Note specified as such in the relevant Final Terms.

(b) ***Interpretation:*** In these Conditions:

- (i) in the case of Exempt Notes, each reference to "Final Terms" or to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to the "Pricing Supplement" or to such information being specified or identified in the relevant Pricing Supplement, unless the context requires otherwise;
- (ii) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (iii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iv) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (v) any reference to principal shall be deemed to include the Redemption Amount, (in the case of Senior Notes only) any Additional Amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (vi) any reference to interest shall be deemed to include any Additional Amounts which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vii) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (viii) if an expression is stated in Condition 1(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "Not Applicable" then such expression is not applicable to the Notes; and
- (ix) any reference in these Conditions to any legislation (whether primary legislation or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2. **Form, Denomination, Title and Transfer**

- (a) ***Bearer Notes:*** Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a

Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

- (b) ***Title to Bearer Notes:*** Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) ***Registered Notes:*** Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) ***Title to Registered Notes:*** The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) ***Ownership:*** The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such Holder.
- (f) ***Transfers of Registered Notes:*** Subject to Conditions 2(j) (*Closed periods*) and 2(k) (*Regulations concerning transfers and registration*), a Registered Note may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) ***Exercise of Options or Partial Redemption in Respect of Registered Notes:*** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (h) ***Registration and delivery of Certificates:*** Within five business days of the surrender of a Certificate in accordance with Condition 2(f) (*Transfers of Registered Notes*), the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if

overseas) to the address specified for the purpose by such relevant Holder. In this Condition 2(h) (*Registration and delivery of Certificates*), "**business day**" means a day on which commercial banks and foreign exchange markets settle payments generally in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (i) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (j) **Closed periods:** Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes or once notice of redemption of the Notes has been given in accordance with Condition 9 (*Redemption and Purchase; Substitution or Variation*).
- (k) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.
- (l) **No exchange:** Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.

3. Status

The Notes are either senior Notes ("**Senior Notes**") or tier 2 capital Notes ("**Tier 2 Capital Notes**"), as specified in the relevant Final Terms.

(a) Senior Notes

The Senior Notes (and the Coupons relating thereto, if any) constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer which rank *pari passu* without any preference among themselves and, in the event of a Winding-Up, will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law.

(b) Tier 2 Capital Notes

The Tier 2 Capital Notes (and the Coupons relating thereto, if any) constitute direct unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves.

On a Winding-Up, claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed) and the Holders of Tier 2 Capital Notes and any related Coupons against the Issuer in respect of or arising under the Tier 2 Capital Notes and any related Coupons (including any damages awarded for breach of any obligations in respect of the Tier 2 Capital Notes or any related Coupons) will be subordinated in the manner provided herein and in the Trust Deed to the claims of all Senior Creditors but shall rank:

- (i) at least *pari passu* with all claims of holders of all other subordinated obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith ("**Parity Securities**"); and

- (ii) in priority to the claims of holders of:
 - (A) all obligations of the Issuer which rank or are expressed to rank, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which rank or are expressed to rank, junior to the claims in respect of the Tier 2 Capital Notes and any related Coupons, including (without limitation) obligations which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith; and
 - (B) all classes of share capital of the Issuer(together, the "**Junior Securities**").

Nothing in this Condition 3(b) (*Tier 2 Capital Notes*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

For the purposes of this Condition 3(b) (*Tier 2 Capital Notes*):

"**secondary non-preferential debts**" shall have the meaning given to it in the Order and any other law or regulation applicable to the Issuer which is amended by the Order, as each may be amended or replaced from time to time; and

"**Senior Creditors**" means creditors of the Issuer (A) who are unsubordinated creditors of the Issuer; and (B) who are subordinated creditors of the Issuer (whether only in the event of a winding-up of the Issuer or otherwise) other than (1) those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders and relevant Couponholders or (2) those whose claims are in respect of Parity Securities or Junior Securities or (3) who are creditors in respect of secondary non-preferential debts.

(c) ***No set-off***

The provisions of this Condition 3(c) (*No set-off*) shall have effect in relation to (1) any Series of Senior Notes where the relevant Final Terms specify that this Condition 3(c) (*No set-off*) applies and (2) each Series of Tier 2 Capital Notes.

Subject to applicable law, no Holder may exercise or claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, any Notes or related Coupons and every Holder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set-off, or to raise by way of counterclaim any of its claims in respect of any Notes or related Coupons, against or in respect of any of its obligations to the Issuer, the Trustee or any other person. Notwithstanding the preceding sentence, if any of the amounts due and payable to any Holder by the Issuer in respect of, arising under or in connection with the Notes or related Coupons is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, the liquidator, administrator or, as appropriate, other insolvency official of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator, administrator or, as appropriate, other insolvency official of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. **Fixed Rate Note Provisions**

- (a) ***Application:*** This Condition 4 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) **Accrual of interest:** The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 10 (*Payments - Bearer Notes*) and 11 (*Payments - Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (*Fixed Rate Note Provisions*) (as well after as before judgment) until (and including) whichever is the earlier of (1) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (2) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose, a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

5. **Reset Note Provisions**

- (a) **Application:** This Condition 5 (*Reset Note Provisions*) is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest:
 - (i) from (and including) the Interest Commencement Date specified in the relevant Final Terms to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
 - (ii) from (and including) the First Reset Date to (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
 - (iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date, subject as provided in Conditions 10 (*Payments - Bearer Notes*) and 11 (*Payments - Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Reset Note Provisions*) (as well after as before judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) **Rate of Interest:** The Rate of Interest applicable for each Reset Period shall be determined by the Calculation Agent at or as soon as practicable after each time at which the Rate of Interest is to be determined on each Reset Determination Date. The Interest Amount payable on the Notes shall be calculated in accordance with the provisions for calculating amounts of interest in Condition 4 (*Fixed Rate Note Provisions*) and, for such purposes, references in Condition 4 (*Fixed Rate Note Provisions*) to "**Fixed Rate Notes**" shall be deemed to be to "**Reset Notes**" and Condition 4 (*Fixed Rate Note Provisions*) shall be construed accordingly.
- (d) **Fallback – Mid-Swap Rate:** Where the Reset Rate is specified as "**Mid-Swap Rate**" in the relevant Final Terms and if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on the Reset Determination Date in question.
- If two or more of the Reference Banks provide the Calculation Agent with Mid- Market Swap Rate Quotations on the Reset Determination Date, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.
- If only one of the Reference Banks provides the Calculation Agent with a Mid- Market Swap Rate Quotation on the Reset Determination Date, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the Reset Period shall be the sum of such Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent. If on any Reset Determination Date none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(d) (*Fallback – Mid-Swap Rate*) or, if the Calculation Agent does not at any time for any reason determine the Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.
- (e) **Fallback – Benchmark Gilt Rate:** Where the Reset Rate is specified as "**Benchmark Gilt Rate**" in the relevant Final Terms and where no quotations with respect to the Benchmark Gilt are provided by the relevant Reference Banks, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.
- (f) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (g) **Publication:** The Calculation Agent will cause each Rate of Interest determined by it and any other amount(s) required to be determined by it together with the relevant payment date(s), to be notified to the Issuer, the Paying Agents, the Trustee and each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but in (in the case of each Rate of Interest and Interest Payment Date) not later than the relevant Reset Date. Notice thereof shall also be given to the Noteholders in accordance with Condition 19 (*Notices*) as soon as possible after the determination or calculation thereof.

- (h) **Notifications etc.:** All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Reset Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Calculation Agent, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 5 (*Reset Note Provisions*).

6. **Floating Rate Note Provisions and Benchmark Replacement**

- (a) **Application:** This Condition 6 (*Floating Rate Note Provisions and Benchmark Replacement*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and, in respect of Condition 6(h) (*Benchmark Replacement*) only, if the Floating Rate Note Provisions or the Reset Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from (and including), the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 10 (*Payments - Bearer Notes*) and 11 (*Payments - Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Floating Rate Note Provisions and Benchmark Replacement*) (as well after as before judgment) until (and including) whichever is the earlier of (1) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (2) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Screen Rate Determination – Floating Rate Notes other than CMS-Linked Notes and other than Floating Rate Notes which reference SONIA:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate specified in the relevant Final Terms is not the CMS Reference Rate or SONIA, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6(h) (*Benchmark Replacement*) and (i) (*Maximum or Minimum Rate of Interest*)) be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of sub-paragraph (i) above, such rate does not appear on that page or, in the case of sub-paragraph (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request each of the Reference Banks to provide to the Calculation Agent a quotation of the Reference Rate as at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) ***Screen Rate Determination – Floating Rate Notes which are CMS-Linked Notes:*** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the relevant Final Terms specify that the Reference Rate is the CMS Reference Rate, the Rate of Interest applicable to the Notes for each Interest Period will be the CMS Rate plus or minus (as indicated in the relevant Final Terms) the Margin, as determined by the Calculation Agent.

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide it with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) as at approximately (1) the Determination Time specified in the relevant Final Terms or (2) if no Determination Time is specified in the relevant Final Terms, 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent such quotations as aforesaid, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date at the Determination Time or 11.00 a.m. (Relevant Financial Centre time) (as applicable) one only or none of the Reference Banks provides

the Calculation Agent with such quotations as aforesaid, the CMS Rate shall be determined by the Issuer in its sole and absolute discretion on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

(e) **Screen Rate Determination for Floating Rate Notes which reference SONIA**

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, SONIA Index Determination is specified in the relevant Final Terms as not applicable and the Reference Rate specified in the relevant Final Terms is SONIA, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6(h) (*Benchmark Replacement*) and Condition (i) (*Maximum or Minimum Rate of Interest*) and subject as provided below) be Compounded Daily SONIA plus or minus (as indicated in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

For the purposes of this Condition 6(e) (*Screen Rate Determination for Floating Rate Notes which reference SONIA*):

"Compounded Daily SONIA" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent, as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

"d" means, for the relevant Interest Period, the number of calendar days in such Interest Period;

"d_o" means, for the relevant Interest Period, the number of London Banking Days in such Interest Period;

"i" means, for the relevant Interest Period, a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to and including, the last London Banking Day in such Interest Period;

"Interest Determination Date" means the date specified as such in the relevant Final Terms;

"London Banking Day" or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"n_i" means, for any London Banking Day "i", the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"Observation Period" means, in respect of the relevant Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" means, for any Interest Period, the number of London Banking Days by which the corresponding Observation Period precedes such Interest Period, as specified in the relevant Final Terms (or, if no such number is specified, five London Banking Days);

"SONIA" means the Sterling Overnight Index Average; and

"SONIA_{i-pLBD}" means, in respect of any London Banking Day "i", the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i".

If, subject to Condition 6(h) (*Benchmark Replacement*), in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (London time) (or, if earlier close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Notwithstanding the paragraph above, and without prejudice to Condition 6(h) (*Benchmark Replacement*), in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent shall, in consultation with the Issuer, follow such guidance in order to determine the SONIA rate, for purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, subject to Condition 6(h) (*Benchmark Replacement*), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the relevant Final Terms) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

- (f) **SONIA Index Determination:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and SONIA Index Determination is specified in the relevant Final Terms as being applicable, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6(h) (*Benchmark Replacement*) and Condition (i) (*Maximum or Minimum Rate of Interest*)) be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula and to the Relevant Decimal Place plus or minus (as indicated in the relevant Final Terms) the Margin, all as determined and calculated by the Calculation Agent on the relevant Interest Determination Date:

$$\left(\frac{\text{SONIA Compounded Index End}}{\text{SONIA Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

where:

"d" is the number of calendar days from (and including) the day on which the relevant SONIA Compounded Index Start is determined to (but excluding) the day on which the relevant SONIA Compounded Index End is determined;

"**London Banking Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**Numerator**" shall, unless otherwise specified in the relevant Final Terms, be 365;

"**Relevant Decimal Place**" shall, unless otherwise specified in the relevant Final Terms, be the fifth decimal place, rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.0000005 being rounded upwards);

"**Relevant Number**" shall, unless otherwise specified in the relevant Final Terms, be five;

"**SONIA Compounded Index**" means the compounded daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

"**SONIA Compounded Index End**" means the SONIA Compounded Index value on the day falling the Relevant Number of London Banking Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which, by its definition or the operation of the relevant provisions, is excluded from such Interest Period); and

"**SONIA Compounded Index Start**" means the SONIA Compounded Index value on the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of SONIA, if, with respect to any Interest Period, the relevant SONIA Compounded Index Start and/or SONIA Compounded Index End is not published by the administrator, the Calculation Agent shall calculate the Rate of Interest for that Interest Period in accordance with Condition 6(e) (*Floating Rate Note Provisions and Benchmark Replacement – Screen Rate Determination for Floating Rate Notes which reference SONIA*) as if SONIA Index Determination was not specified in the relevant Final Terms as being applicable. For these purposes, (i) the Reference Rate shall be deemed to be SONIA, (ii) the Interest Determination Date shall be the Relevant Number of Business Days prior to the relevant Interest Payment Date (or immediately preceding such earlier date, if any, on which the Notes are due and payable), (iii) "p" shall be the Relevant Number and (iv) the Relevant Screen Page will be determined by the Issuer in consultation with the Calculation Agent.

If a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 6(h) (*Floating Rate Note Provisions and Benchmark Replacement – Benchmark Replacement*) shall apply mutatis mutandis in respect of this Condition 6(f).

- (g) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified in the relevant Final Terms;
- (ii) the Designated Maturity is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date is as specified in the relevant Final Terms; and

- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

The expressions "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" in this Condition 6(g) (*ISDA Determination*) have the respective meanings given to them in the ISDA Definitions.

- (h) **Benchmark Replacement:** In addition, notwithstanding the provisions above in this Condition 6 (*Floating Rate Note Provisions and Benchmark Replacement*) or Condition 5 (*Reset Note Provisions*), if the Issuer determines that a Benchmark Event has occurred or there is a Successor Rate, in either case when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate or Mid-Swap Floating Leg Benchmark Rate, then the Issuer may elect (acting in good faith and in a commercially reasonable manner) to apply the following provisions:

- (i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than 5 Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable) (the "**IA Determination Cut-off Date**"), a Successor Rate (as defined below) or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
- (ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate;
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be used in place of the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(h) (*Benchmark Replacement*)); *provided, however*, that if subparagraph (ii) above applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date or Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or Reset Period (as applicable) shall be equal to the Rate of Interest last determined in relation to the

Notes in respect of the preceding Interest Period or Reset Period (as applicable) (or alternatively, if there has not been a first Interest Payment Date or Reset Date (as applicable), the rate of interest shall be the Initial Interest Rate) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period or Reset Period (as applicable) for the Margin that is to be applied to the relevant Interest Period or Reset Period (as applicable)); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(h) (*Benchmark Replacement*);

- (iv) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer (acting in good faith and in a commercially reasonable manner) determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable); *provided, however*, that if the Independent Adviser or the Issuer (as applicable) is unable to determine, prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable), the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread; for the avoidance of doubt, the proviso in this sub-paragraph (iv) shall apply to the relevant Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(h) (*Benchmark Replacement*);
- (v) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in each case, any Adjustment Spread in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Day, Interest Determination Date, Reset Determination Date, Reset Determination Time and/or the definition of Reference Rate or Mid-Swap Floating Leg Benchmark Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread. For the avoidance of doubt, the Trustee and Principal Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 6(h) (*Benchmark Replacement*). Noteholder consent shall not be required in connection with implementing the Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Trustee or Principal Paying Agent (if required); and
- (vi) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread, give notice thereof to the Trustee, the Principal Paying Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate or Adjustment Spread, and any other related changes to the Notes, shall be made in

accordance with the relevant Capital Regulations (if applicable) and shall not prejudice qualification of (i) if applicable, the Senior Notes as eligible liabilities or (ii) the Tier 2 Capital Notes as Tier 2 Capital, in each case for the purposes of the Capital Regulations.

For the purposes of this Condition 6(h) (*Benchmark Replacement*):

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is recommended in relation to the replacement of the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Issuer following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);
- (iv) if no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"Alternative Reference Rate" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or Reset Period (as applicable), or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable);

"Benchmark Event" means:

- (i) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that it has ceased, or will cease, publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate permanently or indefinitely (in circumstances where no successor administrator

has been appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable)); or

- (iii) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) as a consequence of which such Mid-Swap Floating Leg Benchmark Rate or Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes; or
- (v) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that, in the view of such supervisor, such Mid-Swap Floating Leg Benchmark Rate or Reference Rate is no longer representative of an underlying market; or
- (vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the Withdrawal Act, if applicable);

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"Relevant Nominating Body" means, in respect of a reference rate or mid-swap floating leg benchmark rate:

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate or mid-swap floating leg benchmark rate relates, or any other central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid-swap floating leg benchmark rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate or mid-swap floating leg benchmark rate relates, (b) any other central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid-swap floating leg benchmark rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof; and

"Successor Rate" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate (as applicable) (for the avoidance of doubt, whether or not such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be available) which is formally recommended by any Relevant Nominating Body.

- (i) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the relevant Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

- (j) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose, a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (k) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents, the Trustee and each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also be given to the Noteholders in accordance with Condition 19 (*Notices*) as soon as possible after the determination or calculation thereof. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (l) **Notifications etc.:** All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Floating Rate Note Provisions and Benchmark Replacement*) by the Calculation Agent will (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Calculation Agent, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, communication, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 6 (*Floating Rate Note Provisions and Benchmark Replacement*).

7. Zero Coupon Note Provisions

- (a) **Application:** This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has

received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

8. **Fixed/Floating Rate Notes**

- (a) **Application:** This Condition 8 (*Fixed/Floating Rate Notes*) is applicable to the Notes only if the Fixed Rate Note Provisions and the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Fixed/Floating Rate:** The Issuer may issue Notes (1) that the Issuer may elect to convert on the date set out in the relevant Final Terms from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note or (2) that will automatically change from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note on the date set out in the relevant Final Terms.

9. **Redemption and Purchase; Substitution or Variation**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Conditions 10 (*Payments - Bearer Notes*) and 11 (*Payments - Registered Notes*) (as applicable).
- (b) **Redemption at the option of the Issuer:** Subject to Condition 9(l) (*Restriction on Early Redemption or Repurchase of the Notes*), if the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 19 (*Notices*) and to the Trustee, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable) and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together with any accrued but unpaid interest to (but excluding) the relevant Optional Redemption Date (Call)) at the Optional Redemption Amount (Call).
- (c) **Redemption for Tax Event:** Subject to Condition 9(l) (*Restriction on Early Redemption or Repurchase of the Notes*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time at their Early Redemption Amount (Tax), together with any accrued but unpaid interest to the date fixed for redemption, provided that:
 - (i) the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Noteholders in accordance with Condition 19 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption; and
 - (ii) immediately before giving such notice, the Issuer has determined that as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which the Relevant Jurisdiction is a party, or any change in the official application of those laws or regulations which change or amendment becomes effective on or after the Issue Date of the last Tranche of Notes of the relevant Series, including a decision of any court or tribunal which becomes effective on or after the Issue Date of the last Tranche of Notes of the relevant Series:
 - (A) the Issuer has paid, or will or would on the next Interest Payment Date be required to pay, Additional Amounts as provided or referred to in Condition 12 (*Taxation*);
 - (B) the Issuer is not, or would not be, entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes, or such a deduction is or would be reduced or deferred;

- (C) the Issuer is not, or would not be, as a result of the Notes being in issue, able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which the Issuer is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Issue Date or any similar system or systems having like effect as may from time to time exist);
- (D) the Issuer would be required to bring into account any amount of income, profit or gain or other tax credit or taxable item for tax purposes, or any other liability to tax would arise, in respect of the write-down or conversion of the Notes into shares, or both as a result of the exercise of any regulatory powers (including, under the Banking Act 2009);
- (E) in the case of Tier 2 Capital Notes, the Issuer would, in the future, have to bring into account a taxable credit if the principal amount of the Notes were written down or converted; or
- (F) in the case of Tier 2 Capital Notes, the Issuer will have to treat the Notes of such Series or any part thereof as a derivative or an embedded derivative for United Kingdom tax purposes,

(each a "**Tax Event**").

Prior to giving notice of redemption in accordance with this Condition 9(c) (*Redemption for Tax Event*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 9(c) (*Redemption for Tax Event*) have been met. Such certificate shall be treated by the Issuer, the Trustee, the Noteholders and all other interested parties as correct, conclusive, binding and sufficient evidence thereof.

Upon the expiry of any such notice as is referred to in this Condition 9(c) (*Redemption for Tax Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(c) (*Redemption for Tax Event*).

- (d) **Redemption for Regulatory Event:** In the case of any Series of Tier 2 Capital Notes only and subject to Condition 9(1) (*Restriction on Early Redemption or Repurchase of the Notes*), if a Regulatory Event has occurred, the Issuer may, at its option, redeem the Tier 2 Capital Notes, in whole but not in part, at the relevant Optional Redemption Amount (Regulatory Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, provided that the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Holders of the Tier 2 Capital Notes in accordance with Condition 19 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to giving notice of redemption in accordance with this Condition 9(d) (*Redemption for Regulatory Event*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 9(d) (*Redemption for Regulatory Event*) have been met. Such certificate shall be treated by the Issuer, the Trustee, the Holders and all other interested parties as correct, conclusive, binding and sufficient evidence thereof.

Upon the expiry of any such notice as is referred to in this Condition 9(d) (*Redemption for Regulatory Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(d) (*Redemption for Regulatory Event*).

- (e) **Redemption for Loss Absorption Disqualification Event:** In the case of any Series of Senior Notes only and subject to Condition 9(1) (*Restriction on Early Redemption or Repurchase of the Notes*), if Loss Absorption Disqualification Call is specified in the relevant Final Terms as being applicable and a Loss Absorption Disqualification Event has occurred, the Issuer may, at its option, redeem the Senior Notes, in whole but not in

part, at the relevant Optional Redemption Amount (Loss Absorption Disqualification Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, provided that the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Holders of the Notes in accordance with Condition 19 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to giving notice of redemption in accordance with this Condition 9(e) (*Redemption for Loss Absorption Disqualification Event*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the conditions for redeeming the Notes pursuant to this Condition 9(e) (*Redemption for Loss Absorption Disqualification Event*) have been met. Such certificate shall be treated by the Issuer, the Trustee, the Holders and all other interested parties as correct, conclusive, binding and sufficient evidence thereof.

Upon the expiry of any such notice as is referred to in this Condition 9(e) (*Redemption for Loss Absorption Disqualification Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(e) (*Redemption for Loss Absorption Disqualification Event*).

This Condition 9(e) (*Redemption for Loss Absorption Disqualification Event*) will not apply to the extent such application would cause a Loss Absorption Disqualification Event to occur.

- (f) ***Redemption at the option of Noteholders:*** In the case of any Series of Senior Notes only, if the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice (which notice shall be irrevocable) at the relevant Optional Redemption Amount (Put) together with any accrued but unpaid interest to (but excluding) such date. No Series of Tier 2 Capital Notes shall contain a Put Option. In order to exercise the option contained in this Condition 9(f) (*Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 days nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) such Note together with any unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent or the Registrar (as the case may be) with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f) (*Redemption at the option of Noteholders*), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent or Registrar (as the case may be) shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent or the Registrar (as the case may be) in accordance with this Condition 9(f) (*Redemption at the option of Noteholders*), the depositor of such Note and not such Paying Agent or the Registrar (as the case may be) shall be deemed to be the Holder of such Note for all purposes. The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 9(b) (*Redemption at the option of the Issuer*), 9(c) (*Redemption for Tax Event*) or 9(g) (*Partial redemption*) and any exercise of the first-mentioned option in such circumstances shall have no effect.
- (g) ***Partial redemption:*** If the Notes are to be redeemed in part only on any date in accordance with Condition 9(b) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place and in such

manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading and the notice to Noteholders referred to in Condition 9(b) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (h) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) (*Scheduled redemption*) to 9(g) (*Partial redemption*).
- (i) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 9(i) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

- (j) **Purchase:** Subject to Condition 9(l) (*Restriction on Early Redemption or Repurchase of the Notes*) and notwithstanding Condition 3 (*Status*), the Issuer or any of its Subsidiaries may at any time purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise, provided that all unmatured Coupons are purchased therewith.
- (k) **Cancellation:** All Notes which are redeemed pursuant to this Condition 9 (*Redemption and Purchase; Substitution or Variation*) will be cancelled. All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, cancelled.
- (l) **Restriction on Early Redemption or Repurchase of the Notes:** Notwithstanding any other provision in this Condition 9 (*Redemption and Purchase; Substitution or Variation*), the Issuer may only redeem or repurchase the Notes (and give notice thereof to the Holders if required) pursuant to Conditions 9(b) (*Redemption at the option of the Issuer*), 9(c) (*Redemption for Tax Event*), 9(d) (*Redemption for Regulatory Event*), 9(e) (*Redemption for Loss Absorption Disqualification Event*) or 9(j) (*Purchase*) if:
 - (i) it has obtained the Relevant Authority's prior permission for the redemption or repurchase of the Notes, if and to the extent such permission is required by the Capital Regulations;
 - (ii) in the case of any redemption or repurchase of Notes, if and to the extent then required by the Capital Regulations, either: (a) the Issuer has, earlier than or at the same time as such redemption or repurchase, replaced the Notes with own funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer (as determined by the Relevant Authority in accordance with the Capital Regulations); or (b) the Issuer has demonstrated to the satisfaction of the Relevant Authority that the own

funds and eligible liabilities of the Issuer would, following such redemption or repurchase, exceed its minimum capital requirements (including any capital buffer requirements) and eligible liabilities requirements by a margin that, in the case of the Senior Notes, the Resolution Authority, in agreement with the Competent Authority, or, in the case of the Tier 2 Capital Notes, the Competent Authority considers necessary, in accordance with the Capital Regulations;

- (iii) in respect of any redemption of Tier 2 Capital Notes proposed to be made prior to the fifth anniversary of the Issue Date of the last Tranche of such Tier 2 Capital Notes pursuant to Condition 9(c) (*Redemption for Tax Event*) or 9(d) (*Redemption for Regulatory Event*), if and to the extent required by the Capital Regulations, (a) in the case of a redemption following the occurrence of a Regulatory Event, the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Tier 2 Capital Notes was not reasonably foreseeable as at the relevant Issue Date of the last Tranche of such Tier 2 Capital Notes; or (b) in the case of a redemption following the occurrence of a Tax Event, the Issuer has demonstrated to the satisfaction of the Competent Authority that such Tax Event is material and was not reasonably foreseeable as at the Issue Date of the last Tranche of such Tier 2 Capital Notes; and
 - (iv) the Issuer has complied with any other requirements contained in the Capital Regulations then in force which relate to the redemption or repurchase of the Notes.
- (m) ***Substitution or Variation:*** If this Condition 9(m) (*Substitution or Variation*) is specified as being applicable in the relevant Final Terms, then following the occurrence of a Regulatory Event in the case of any Tier 2 Capital Notes or following the occurrence of a Loss Absorption Disqualification Event in the case of any Senior Notes (in each case, the "**Existing Notes**"), the Issuer may, subject to the other provisions of this Condition 9(m) (*Substitution or Variation*) (without any requirement for the consent or approval of the Noteholders or the Trustee (but subject to the notice requirements below)), either substitute all (but not some only) of such Existing Notes for, or vary the terms of such Existing Notes so that they remain or, as appropriate, become, Compliant Notes. Upon the expiry of the notice required by this Condition 9(m) (*Substitution or Variation*), the Issuer shall either substitute or vary the terms of the Existing Notes in accordance with this Condition 9(m) and, subject as set out below, the Trustee shall agree to such substitution or variation.

In connection with any substitution or variation in accordance with this Condition 9(m), the Issuer shall comply with the rules of any listing authority, stock exchange and/or quotation system on which the Existing Notes are for the time being admitted to listing, trading and/or quotation.

Any substitution or variation in accordance with this Condition 9(m) (*Substitution or Variation*) is subject to the Issuer (i) obtaining the Relevant Authority's prior permission for the substitution or variation of the Notes if and to the extent required by the Capital Regulations and (ii) giving not less than 30 nor more than 60 days' notice to the Trustee (with a copy to the Principal Paying Agent) and to the Noteholders in accordance with Condition 19 (Notices), which notice shall be irrevocable.

Any substitution or variation in accordance with this Condition 9(m) (*Substitution or Variation*) shall not otherwise give the Issuer an option to redeem the relevant Existing Notes under the Conditions. Prior to the publication of any notice of substitution or variation pursuant to this Condition 9(m) (*Substitution or Variation*), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer stating that the Regulatory Event or Loss Absorption Disqualification Event, as the case may be, giving rise to the right to substitute or vary has occurred and is continuing and the Trustee shall accept such certificate without any further inquiry as sufficient evidence of the same and it shall be conclusive and binding on the Noteholders and the Trustee.

The Trustee shall concur in the substitution of the Existing Notes for Compliant Notes, or the variation of the terms of the Existing Notes so that they remain or become Compliant Notes, as the case may be, provided that the Trustee shall not be obliged to concur in any such substitution or variation if the terms of the proposed Compliant Notes or the concurring in such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or require the Trustee to incur any liability for which it is not indemnified and/or secured and/or pre-funded to its satisfaction.

10. **Payments - Bearer Notes**

This Condition 10 (*Payments - Bearer Notes*) is only applicable to Bearer Notes.

- (a) **Principal:** Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) **Interest:** Payments of interest shall, subject to Condition 10(h) (*Payments other than in respect of matured Coupons*), be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10(a) (*Principal*).
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (1) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due; (2) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions; and (3) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** Save as provided in Condition 12 (*Taxation*), payments in respect of the Bearer Notes will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents are or agree to be subject and the Issuer or any of its Paying Agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, and no commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Deductions for unmatured Coupons:** If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable, and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; or
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; provided, however, that where this

Condition 10(e)(ii)(A) (*Deductions for unmatured Coupons*) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

- (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 10(a) (*Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) ***Unmatured Coupons void:*** If the relevant Final Terms specify that the Reset Note Provisions are applicable or that the Floating Rate Note Provisions are applicable, on the due date for redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption at the option of the Issuer*), 9(c) (*Redemption for Tax Event*), 9(d) (*Redemption for Regulatory Event*), 9(e) (*Redemption for Loss Absorption Disqualification Event*), 9(f) (*Redemption at the option of Noteholders*) or 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) ***Payments on business days:*** If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) ***Payments other than in respect of matured Coupons:*** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(c) (*Payments in New York City*)).
- (i) ***Partial payments:*** If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) ***Exchange of Talons:*** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments - Registered Notes**

This Condition 11 (*Payments - Registered Notes*) is only applicable to Registered Notes.

- (a) ***Principal:*** Payments of principal shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

- (b) **Interest:** Payments of interest shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.
- (c) **Payments subject to fiscal laws:** Save as provided in Condition 12 (*Taxation*), payments in respect of the Registered Notes will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents are or agree to be subject and the Issuer or any of its agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, and no commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) **Payments on business days:** Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (1) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and (2) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.
- (e) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.
- (f) **Record date:** Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the 15th day before the due date for such payment (the "**Record Date**").

12. **Taxation**

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts on payments of principal and interest (in the case of Senior Notes) or on payments of interest but not principal (in the case of Tier 2 Capital Notes) ("**Additional Amounts**") as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them in respect of principal and interest (in the case of Senior Notes) or in respect of interest only (in the case of Tier 2 Capital Notes) had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:
 - (i) held by or on behalf of a Holder, which is liable to such Taxes in respect of such Note or Coupon by reason of its having some connection with the Relevant Jurisdiction other than the mere holding or ownership of the Note or Coupon;
 - (ii) where (in the case of a payment of principal or interest on redemption) the relevant Note or Coupon or Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant

Holder would have been entitled to such Additional Amounts if it had presented or surrendered the relevant Note or Coupon or Certificate on the last day of such period of 30 days; or

- (iii) where the Holder of the relevant Note or Coupon failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the relevant jurisdiction of such Holder, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the relevant jurisdiction as a condition to relief or exemption from such taxes.
- (b) **FATCA:** For the avoidance of doubt, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay Additional Amounts on account of any FATCA Withholding Tax.

13. **Events of Default**

- (a) The provisions of this Condition 13(a) (*Events of Default*) shall have effect in relation to any Series of Senior Notes where the relevant Final Terms specify that Condition 13(b) (*Events of Default*) does not apply.

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Senior Notes or if so directed by an Extraordinary Resolution, shall (subject, in all cases, to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Senior Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with any accrued but unpaid interest without further action or formality:

- (i) *Non-payment:* if any principal or interest on the Senior Notes has not been paid within 7 days (in the case of principal) and within 14 days (in the case of interest) from the due date for payment, provided that the Issuer shall not be in default if it satisfies the Trustee during the 14 or 7 day period (as applicable) that such sums were not paid in order to comply with any mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such period by independent legal advisers acceptable to the Trustee;
- (ii) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Senior Notes or the Trust Deed and that breach has not (in the opinion of the Trustee) been remedied within 30 days of receipt of a written notice from the Trustee certifying that in its opinion the breach is materially prejudicial to the interests of the holders of such Senior Notes and requiring the same to be remedied; or
- (iii) *Winding-up etc.:* a Winding-up Event occurs.

At any time after any Series of Senior Notes shall have become due and repayable in accordance with this Condition 13(a) (*Events of Default*), the Trustee may at its discretion and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Senior Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been

indemnified and/or secured and/or pre-funded to its satisfaction), without further notice, institute such proceedings or take such steps or actions as it may think fit against the Issuer to enforce payment.

- (b) The provisions of this Condition 13(b) (*Events of Default*) shall have effect in relation to (1) any Series of Senior Notes where the relevant Final Terms specify that Condition 13(b) (*Events of Default*) applies and (2) each Series of Tier 2 Capital Notes.

- (i) If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice:

(A) *Non-payment*: if any principal or interest on the Notes has not been paid within 7 days (in the case of principal) and within 14 days (in the case of interest) from the due date for payment, institute proceedings in a court of competent jurisdiction in England (or such other jurisdiction in which the Issuer is organised) (but not elsewhere) for the winding-up of the Issuer and/or prove and/or claim in a Winding-Up, provided that the Issuer shall not be in default if it satisfies the Trustee during the 14 or 7 day period (as applicable) that such sums were not paid in order to comply with any mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such period by independent legal advisers acceptable to the Trustee; or

(B) *Limited remedies for breach of other obligations (other than non-payment)*: institute such proceedings against the Issuer as it may think fit to enforce any term, obligation or condition binding on the Issuer under the Notes or the terms of the Trust Deed (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest); provided always that the Trustee (acting on behalf of the Noteholders but not the Trustee acting in its personal capacity under the Trust Deed) and the Noteholders shall not enforce, and shall not be entitled to enforce or otherwise claim against the Issuer, any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving and/or claiming for such Monetary Judgment in a Winding-Up.

Nothing in this Condition 13(b)(i) (*Events of Default*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

- (ii) If a Winding-Up Event occurs, the Trustee at its discretion may and, if so requested in writing by the holders of at least one-quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) declare the Notes to be due and repayable immediately (and the Notes shall thereby become so due and repayable) at their Early Termination Amount together with any accrued but unpaid interest as provided in the Trust Deed and payments are subject to the subordination provisions set out in Condition 3 (*Status*).

- (c) The provisions of this Condition 13(c) (*Events of Default*) shall have effect in relation to Senior Notes and Tier 2 Capital Notes.

No Holder of any Notes or related Coupons (if any) shall be entitled to institute any of the proceedings or take the steps or actions referred to in Condition 13(a) or 13(b) (*Events of Default*) or to prove and/or claim in a Winding-Up, except that, if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able to prove in such Winding-Up, fails to do so, in each case within a reasonable period, and in each such case such failure shall be continuing, then any such Holder may itself institute such proceedings and/or prove and/or claim in such Winding-Up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of its Notes and/or Coupons. In the case of (1) any Series of Senior Notes where the relevant Final Terms specify that Condition 13(b) (*Events of Default*) applies and (2) each Tier 2 Capital Notes, no remedy against the Issuer other than the institution of the proceedings referred to above or proving and/or claiming in a Winding-Up, shall be available to the Trustee or the Holders of the Notes whether for the recovery of amounts owing in respect of the Notes or Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or Coupons or under the Trust Deed.

14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest in respect of Registered Notes shall become void unless the relevant Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and if the Notes are admitted to listing and/or trading by any competent listing authority and/or stock exchange which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by the competent listing authority and/or stock exchange), subject to all applicable laws and competent listing authority and/or stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates or Coupons or Talons must be surrendered before replacements will be issued.

16. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded before taking any steps or actions or initiating any proceedings and relieved from responsibility in certain circumstances and to be paid its costs, fees and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents (as defined in the Agency Agreement) act solely as agent of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the relevant Final Terms. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; provided, however, that:

- (a) the Issuer shall at all times maintain a Principal Paying Agent and a Registrar;

- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing and/or trading by any competent authority and/or stock exchange which requires the appointment of a Paying Agent and/or Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority and/or stock exchange.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 19 (*Notices*) and to the Trustee.

17. **Meetings of Noteholders; Modification and Waiver; Substitution**

- (a) ***Meetings of Noteholders:*** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions by Extraordinary Resolution, subject to Condition 17(d) (*Relevant Authority Notice or Consent*).

Such a meeting may be convened by the Issuer or by the Trustee and, subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority in aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters (as defined in the Trust Deed) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in aggregate principal amount of the outstanding Notes who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Trust Deed contains provisions for convening a single meeting of the holders of Notes of more than one Series in certain circumstances where the Trustee so decides.

- (b) ***Modification and waiver:*** Subject to certain exceptions and Condition 17(d) (*Relevant Authority Notice or Consent*), the Trustee may, without the consent of the Noteholders, agree to any modification of the Trust Deed or the Notes (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, not materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is (in the Trustee's opinion) of a formal, minor or technical nature or is to correct a manifest error. In addition, the Trustee shall be obliged to agree to such modifications to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to Condition 6(h) (*Benchmark Replacement*) in connection with implementing any Alternative Reference Rate, Successor Rate, Adjustment Spread or related changes referred to in Condition 6(h) (*Benchmark Replacement*) without the requirement for the consent or sanction of the Noteholders. In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

In addition, the Trustee may determine, without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto (except as set out in the Trust Deed), that any Event of Default or Potential Event of Default (both as defined in the Trust Deed) shall not be treated as such for the purpose of the Trust Deed and such Notes if, in the opinion of the Trustee, the interests of the relevant Noteholders would not be materially prejudiced thereby.

Any such authorisation, waiver, determination or modification shall be notified to the Noteholders by the Issuer in accordance with Condition 19 (*Notices*) as soon as practicable thereafter.

- (c) ***Substitution:*** Subject to (1) Condition 17(d) (*Relevant Authority Notice or Consent*) and (2) such amendment of the Trust Deed and any other conditions as the Trustee may require, but without the consent of the Noteholders, the Trustee may also agree, subject in the case of any Series of Senior Notes to such Senior Notes and any related Coupons being or, where appropriate, remaining irrevocably guaranteed by the Issuer, to the substitution of any Subsidiary of the Issuer in place of the Issuer (or any previous substitute under this Condition 17(c) (*Substitution*)) as principal debtor under such Notes and in each case the Coupons (if any) appertaining thereto and the Trust Deed in so far as it relates to such Notes, all in accordance with the provisions of the Trust Deed.

In connection with a substitution under this Condition 17(c) (*Substitution*), the Trustee may agree, without the consent of the holders of the Notes of the relevant Series or of the Coupons (if any) appertaining thereto but subject always to Condition 17(d) (*Relevant Authority Notice or Consent*), to a change of the law governing such Notes and/or Coupons and/or the Trust Deed insofar as it relates to such Notes provided that (1) such change would not in the opinion of the Trustee be materially prejudicial to the interests of the holders of the Notes of such Series and (2) the Issuer (or any previous substitute under this Condition 17(c) (*Substitution*)) shall not be entitled as a result of such substitution to redeem the Notes pursuant to Condition 9(c) (*Redemption for Tax Event*), 9(d) (*Redemption for Regulatory Event*) or 9(e) (*Redemption for Loss Absorption Disqualification Event*), as the case may be.

- (d) ***Relevant Authority Notice or Consent:*** The provisions relating to the Tier 2 Capital Notes or to any Senior Notes constituting eligible liabilities instruments for the purposes of the Capital Regulations, shall only be capable of modification or waiver in accordance with Condition 17(b) (*Modification and waiver*) and the Issuer may only be substituted in respect of such Notes (and where applicable, the governing law of the Notes and/or the Coupons and/or the Trust Deed changed) in accordance with Condition 17(c) (*Substitution*), if the Issuer has notified the Relevant Authority of such modification, waiver or substitution (and where applicable, change of governing law, as aforesaid) and/or obtained the prior consent of the Relevant Authority, as the case may be (if such notice and/or consent is then required by the Capital Regulations).

Wherever such modification or waiver of the Tier 2 Capital Notes or such Senior Notes is proposed, a meeting of Holders in respect thereof is proposed or a substitution of the Issuer in respect of such Notes (and where applicable, change of governing law, as aforesaid) is proposed in accordance with Condition 17(c) (*Substitution*), the Issuer shall provide to the Trustee a certificate signed by two Authorised Signatories of the Issuer, certifying either that (1) it has notified the Relevant Authority of, and/or received the Relevant Authority's consent to such modification, waiver or substitution (and where applicable, change of governing law, as aforesaid), as the case may be; or (2) that the Issuer is not required to notify the Relevant Authority of, and/or obtain the Relevant Authority's consent to, such modification, waiver or substitution. The Trustee shall be entitled to rely absolutely on such certificate without further enquiry and without liability for so doing.

- (e) ***Effect for the Holders:*** Any such modification, waiver, authorisation, determination or substitution shall be binding on all the Noteholders and Couponholders of the relevant Series and shall be notified to the holders of Notes of that Series as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

- (f) **Exercise of Trustee's powers:** In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any such modification, waiver, authorisation, determination or substitution as aforesaid) the Trustee shall have regard to the interests of the holders of the Notes of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from the individual Noteholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or Couponholders but subject to receipt of the prior consent of the Relevant Authority (if and to the extent such consent is required by the Capital Regulations) and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except in relation to the first payment of interest) so as to be consolidated and form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

19. **Notices**

- (a) **Bearer Notes:** Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) **Registered Notes:** Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (A) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of any Note by virtue of the Contracts (Rights of Third Parties) Act 1999.

22. **Governing Law and Jurisdiction**

- (a) **Governing law:** The Notes, the Coupons and the Trust Deed, and all non- contractual obligations arising out of or in connection with the Notes, the Coupons and the Trust Deed, are governed by English law.

- (b) **Jurisdiction:** The parties to the Trust Deed have (1) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes or the Coupons (including a dispute relating to any non-contractual obligation arising out of or in connection with the Notes or the Coupons); and (2) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.

23. **Recognition of UK Bail-in Power**

- (a) **Agreement and Acknowledgement with Respect to the Exercise of the UK Bail-in Power:** Notwithstanding and to the exclusion of any other term of any Series of Notes or any other agreements, arrangements, or understandings between the relevant Issuer and any Holder (or the Trustee on behalf of the Holders), by its acquisition of the Notes, each Holder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of the UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, consents, and agrees to be bound by:
- (i) the effect of the exercise of the UK Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:
- (A) the reduction of all, or a portion, of the Amounts Due;
- (B) the conversion of all, or a portion, of the Amounts Due in respect of the Notes into shares, [deferred shares \(including core capital deferred shares\)](#) other securities or other obligations of the relevant Issuer or another person (and the issue to or conferral on the Holder of such shares, [deferred shares \(including core capital deferred shares\)](#), securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
- (C) the cancellation of the Notes; or
- (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.
- (b) **Definitions:** For the purposes of this Condition 23 (*Recognition of UK Bail-in Power*):

"**Amounts Due**" means the principal amount of, and any accrued but unpaid interest on, the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the UK Bail-in Power by the Resolution Authority.

"**UK Bail-in Power**" means any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the ~~Issuers~~[Issuer](#) or other members of the Group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any applicable European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, and/or within the context of a resolution regime in the United Kingdom under the Banking Act 2009, as the same has been or may be amended from time to time (whether pursuant to the Financial Services (Banking Reform) Act 2013, secondary legislation or otherwise), pursuant to which obligations of a bank, banking group company, credit institution or

investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person.

- (c) ***Payment of Interest and Other Outstanding Amounts Due:*** No repayment or payment of Amounts Due in relation to the Notes, will become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, written-down, converted, cancelled, amended or altered as a result of such exercise.
- (d) ***Event of Default:*** Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the relevant Issuer or another person, as a result of the exercise of the UK Bail-in Power by the Resolution Authority with respect to the relevant Issuer, nor the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes will be an event of default.
- (e) ***Notice:*** Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to any Notes, the relevant Issuer shall as soon as reasonably practicable notify the Trustee and the Principal Paying Agent in writing of such exercise and give notice of the same to Holders in accordance with Condition 19 (Notices). Any delay or failure by the relevant Issuer in delivering any notice referred to in this Condition 23(e) (*Recognition of UK Bail-in Power – Notice*) shall not affect the validity and enforceability of the UK Bail-in Power.

ANNEX II

(Amended and Restated Tier 2 Final Terms)

AMENDED AND RESTATED FINAL TERMS

THESE AMENDED AND RESTATED FINAL TERMS DATED [•] 2025 AMEND AND RESTATE THE FINAL TERMS DATED 17 MAY 2021 (THE "ORIGINAL FINAL TERMS"), UNDER WHICH THE NOTES DESCRIBED HEREIN (THE "NOTES") WERE ORIGINALLY ISSUED. THESE AMENDED AND RESTATED FINAL TERMS HAVE BEEN CREATED SOLELY AS A MATTER OF RECORD TO RECORD THE CURRENT FINAL TERMS OF THE NOTES AS AMENDED AND RESTATED WITH EFFECT FROM [•] 2025 BY A SUPPLEMENTAL TRUST DEED DATED [•] 2025 MADE BETWEEN, *INTER ALIOS*, VIRGIN MONEY UK PLC, NATIONWIDE BUILDING SOCIETY AND CITICORP TRUSTEE COMPANY LIMITED (THE "SUPPLEMENTAL TRUST DEED") TO SUBSTITUTE NATIONWIDE BUILDING SOCIETY AS ISSUER OF THE NOTES IN PLACE OF VIRGIN MONEY UK PLC. NOTHING IN THESE AMENDED AND RESTATED FINAL TERMS AFFECTS ANY OBLIGATIONS EXISTING PRIOR TO THE DATE OF THEIR AMENDMENT OR RESTATEMENT.

THE SUPPLEMENTAL TRUST DEED IS AVAILABLE TO NOTEHOLDERS AT: [•]

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive (EU) 2014/65, as amended ("EU MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

~~Final Terms dated 17 May 2021~~

~~VIRGIN MONEY UK PLC~~

NATIONWIDE BUILDING SOCIETY

Legal Entity Identifier (LEI): ~~213800ZK9VGCYYR60495~~549300XFX12G42QIKN82

Issue of £300,000,000 2.625 per cent. Fixed Rate Reset Callable Subordinated Tier 2 Capital Notes due 2031 under the £10,000,000,000 Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes ~~(the "Conditions")~~ set forth in the base prospectus dated 24 March 2021 ~~(the "Original Conditions")~~ as amended and restated by the Supplemental Trust Deed (such Original Conditions as amended, the "Conditions") and the supplemental base prospectus dated 11 May 2021 which together constitute a base prospectus (the "Base Prospectus") for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "UK Prospectus Regulation"). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus and the Supplemental Trust Deed.

~~Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these~~The Base Prospectus, the Original Final Terms and these Amended and Restated Final Terms have been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

- | | | |
|----|-----------------------------------|---|
| 1. | Issuer: | Virgin Money UK PLC <u>Nationwide Building Society¹</u> |
| 2. | (a) Series Number: | 7 |
| | (b) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Pounds sterling ("£") |
| 4. | Aggregate Principal Amount: | £300,000,000 |
| 5. | Issue Price: | 99.807 per cent. of the Aggregate Principal Amount |
| 6. | (a) Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof up to (and including) £199,000. No Notes in definitive form will be issued with a denomination above £199,000 |
| | (b) Calculation Amount: | £1,000 |
| 7. | (a) Issue Date: | 19 May 2021 |
| | (b) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 19 August 2031 |

¹ With effect from the Implementation Date (as defined in the Supplemental Trust Deed) the issuer is Nationwide Building Society. The Notes were originally issued by Virgin Money UK PLC.

9.	Interest Basis:	Reset Notes (see paragraph 15 below)
10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.00 per cent. of their principal amount.
11.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Issuer Call (see paragraph 18 below)
13.	Status of the Notes:	Tier 2 Capital Notes
	Date of Board approval for issuance of Notes obtained:	23 November 2020

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	Not Applicable
15.	Reset Note Provisions	Applicable
(a)	Initial Rate of Interest:	2.625 per cent. per annum payable semi-annually in arrear on each Interest Payment Date
(b)	Reset Rate:	Benchmark Gilt Rate (expected to be equal to the 5 year Benchmark Gilt Rate), as calculated by the Calculation Agent
(c)	First Margin:	+2.25 per cent. per annum
(d)	Subsequent Margin:	Not Applicable
(e)	Interest Payment Date(s):	19 February and 19 August in each year up to (and including) the Maturity Date, commencing on 19 August 2021
(f)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	£13.125 per Calculation Amount
(g)	Broken Amount(s):	£6.67 per Calculation Amount payable on the Interest Payment Date falling on 19 August 2021
(h)	First Reset Date:	19 August 2026
(i)	Subsequent Reset Date(s):	Not Applicable
(j)	Reference Banks:	The provisions of the Conditions apply
(k)	Day Count Fraction:	Actual/Actual (ICMA)
(l)	Reset Determination Dates:	The provisions of the Conditions apply
(m)	Minimum Rate of Interest:	Not Applicable
(n)	Maximum Rate of Interest:	Not Applicable

	(o) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
18.	Call Option	Applicable
	(a) Optional Redemption Date(s) (Call):	Any date from (and including) 19 May 2026 to (and including) 19 August 2026
	(b) Optional Redemption Amount (Call):	£1,000 per Calculation Amount
	(c) Series redeemable in part:	No
	(d) If redeemable in part:	
	(i) Minimum Redemption Amount:	Not Applicable
	(ii) Maximum Redemption Amount:	Not Applicable
	(e) Notice period:	Minimum period: As per the Conditions Maximum period: As per the Conditions
	(f) Optional Redemption Amount (Regulatory Event):	£1,000 per Calculation Amount
	(g) Loss Absorption Disqualification Call:	Not Applicable
	(h) Early Redemption Amount (Tax):	£1,000 per Calculation Amount
	(i) Substitution or Variation (Condition 9(m)):	Applicable
19.	Put Option	Not Applicable
20.	Final Redemption Amount:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at £1,000 per Calculation Amount
21.	Early Termination Amount:	£1,000 per Calculation Amount
22.	Redemption Amount for Zero Coupon Notes:	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|--|
| 23. | Form of Notes: | Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note |
| 24. | New Global Note: | No |
| 25. | New Safekeeping Structure: | Not Applicable |
| 26. | Additional Financial Centre(s) or other special provisions relating to payment dates: | Not Applicable |
| 27. | Talons for future Coupons to be attached to Definitive Notes: | No |

THIRD PARTY INFORMATION

28. The rating definitions provided in Part B, Item 2 of these Final Terms have been extracted from the websites of ~~Moody's~~Moody's, ~~Fitch~~ and ~~Fitch~~S&P, each as defined below. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware and is able to ascertain from the information published by ~~Moody's~~Moody's, ~~Fitch~~ and ~~Fitch~~S&P (as applicable), no facts have been omitted which would render the reproduced information inaccurate or misleading.

SIGNED on behalf of

~~VIRGIN MONEY UK PLC:~~

NATIONWIDE BUILDING SOCIETY:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- | | | |
|-----|---|--|
| (a) | Listing and admission to trading: | Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Main Market of the London Stock Exchange with effect from the Issue Date. |
| (b) | Estimate of total expenses related to admission to trading: | £5,808 |

2. RATINGS

Ratings: The Notes ~~to be issued~~ are expected to be rated with effect from the Implementation Date:

Moody's Investors Service Ltd. ("**Moody's**"):
~~Baa3~~[Baa1]

Fitch Ratings Limited ("**Fitch**"):[BBB+]

S&P Global Ratings UK Limited ("**S&P**"): [BBB]

Each of Moody's, Fitch and ~~Fitch~~S&P are established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**"). As such, each of Moody's, Fitch and ~~Fitch~~S&P appears on the latest update of the list of registered credit rating agencies published by the FCA Authority on its website in accordance with the UK CRA Regulation. The rating each of Moody's, Fitch and ~~Fitch~~S&P has given to the Notes is endorsed by Moody's Deutschland GmbH ~~and~~ Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited respectively, each of which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**EU CRA Regulation**").

~~In accordance with Moody's ratings definitions available as at the date of these Final Terms on <https://www.moodys.com/ratings-process/Ratings-Definitions/002002>, obligations rated 'Baa3'~~The rating agencies above have published the following high-level descriptions of such ratings:

- A rating of '[Baa1]' by Moody's is described by it as follows²: ["Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics."] and ["The modifier 1 indicates that the obligation

² <https://ratings.moodys.com/rating-definitions>

ranks in the higher end of its generic rating category".]

- In accordance with Fitch's ratings definitions available as at the date of these Final Terms on <https://www.fitchratings.com/site/definitions>, a- A rating of ['BBB+'] by Fitch is described by it as follows³: ["'BBB' indicates ratings indicate that expectations of default risk are currently low—and the. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity: ".]*
- A rating of ['BBB'] by S&P is described by it as follows⁴: ["An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation".]*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. USE OF PROCEEDS

It is the Issuer's intention to use the net proceeds of the issue of the Notes issued by it for general corporate purposes of the Issuer and its subsidiaries, including the down-streaming of funds to Clydesdale Bank PLC in the form of subordinated debt intended to qualify as Tier 2 capital of Clydesdale Bank PLC. The Issuer retains the discretion to restructure any investment made with the proceeds at any time.

Estimated net proceeds:	£298,221,000
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5. YIELD

Indication of yield:	For the period from (and including) the Issue Date to (but excluding) 19 August 2026, 2.665 per cent.
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The indicative yield is calculated on a semi-annual basis at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

(a)	CUSIP Number	Not Applicable
(b)	ISIN:	XS2343851510

³ <https://www.fitchratings.com/products/rating-definitions>

⁴ <https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352>

(c)	Common Code:	234385151
(d)	CFI:	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
(e)	FISN:	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
(f)	Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or DTC and the relevant identification number(s):	Not Applicable
(g)	Delivery:	Delivery against payment
(h)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(i)	Intended to be held in a manner which would allow Eurosystem eligibility:	No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

7. DISTRIBUTION

(a)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA D – Not Rule 144A Eligible	
(b)	Prohibition of Sales to EEA Retail Investors:	Applicable	
(c)	Prohibition of Sales to UK Retail Investors:	Applicable	
(d)	Method of distribution:	Syndicated	
(e)	If syndicated		
(i)	Names of Managers and underwriting commitments:	BNP Paribas	£60,000,000
		Citigroup Global Markets Limited	£60,000,000
		Lloyds Bank Corporate Markets plc	£60,000,000

		Morgan Stanley & Co. International plc	£60,000,000
		Nomura International plc	£60,000,000
	(ii)	Stabilisation Manager(s) (if any):	Not Applicable
	(f)	If non-syndicated, name and address of Dealer:	Not Applicable
8.	BENCHMARK REGULATION		Not Applicable

ANNEX III

(New SNP Conditions and Final Terms)

TERMS AND CONDITIONS OF THE NOTES

The following (save for paragraphs in italics, which are descriptive only and do not form part of the Terms and Conditions) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange, relevant authority or quotation system (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue. If not so permitted (where applicable) and agreed, each definitive Note will have endorsed upon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms or Pricing Supplement, as applicable (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of Final Terms” or “Form of Pricing Supplement” above for a description of the content of Final Terms or Pricing Supplement, as applicable, which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series of notes (the notes of such Series being hereinafter called the **Notes**, which expression shall mean (a) in relation to Notes represented by a global note (a **Global Note**), units equal to each Specified Denomination in the Specified Currency, (b) definitive Notes issued in exchange for a Global Note, and (c) any Global Note) constituted by a Trust Deed dated 17 April 1991 (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between Nationwide Building Society (the **Issuer**) and The Law Debenture Trust Corporation p.l.c. (the **Trustee**, which expression shall include any successor as trustee).

The Notes are issued with the benefit of an Amended and Restated Agency Agreement dated 20 October 2023 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Citibank, N.A., London Branch, as issuing agent, principal paying agent and agent bank (the **Agent**, which expression shall include any successor as agent), the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and the Trustee.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference in these Terms and Conditions to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms endorsed upon or attached to this Note which supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note.

References herein to **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

In the case of a Note which is neither admitted to trading on a regulated market in the United Kingdom (the **UK**) nor offered in the UK in circumstances where a prospectus is required to be published under the UK Prospectus Regulation and the Financial Services and Markets Act 2000 (the **FSMA**) (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note (the **applicable Pricing Supplement**) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note.

Unless specified otherwise, any references in the Conditions to **applicable Final Terms** shall be deemed to include a reference to **applicable Pricing Supplement** where relevant.

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

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series, and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are (i) available for inspection during normal business hours at the registered office for the time being of the Trustee, being at 1 August 2024 at Eighth Floor, 100 Bishopsgate, London EC2N 4AG and at the specified office of each of the Agent and the other Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee, any Paying Agents or the Issuer, in any such case upon provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the main market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. If this Note is admitted to trading on the London Stock Exchange's International Securities Market, the applicable Pricing Supplement will be published on the website of the Issuer or published or obtainable in such other manner as the Issuer may determine in accordance with the then applicable rules of the International Securities Market. If this Note is not admitted to trading on the London Stock Exchange's main market or the International Securities Market, the applicable Final Terms or applicable Pricing Supplement will only be obtainable from the principal office of the Issuer and of the Agent by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, and the Agent as to its holding of such Notes and identity.

The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are binding on them. Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Transfer

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**, which term will, unless the context otherwise requires, include any successor to such currency under applicable law) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

This Note may also be a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note, as indicated in the applicable Final Terms.

If this Note is a definitive Note, it is issued with Coupons and, if applicable, Talons attached, unless it is a Zero Coupon Note in which case references to interest and Coupons in these Terms and Conditions are not applicable.

Subject to the provisions relating to Global Notes set out below, title to the Notes and the Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the 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 or Coupon as the absolute owner thereof (whether or not such Note or Coupon 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 no person shall be liable for so treating such holder.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or 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 (including any form of statement or printout of electronic records provided by the relevant clearing system (including Euroclear's Easyway and Clearstream, Luxembourg's Xact Web Portal) in accordance with its usual procedures and in which the holder of a particular nominal amount of Notes is clearly identified together with the amount of such holding) as evidence 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 the Global Note in accordance with and subject to its terms (or the Trustee in accordance with the Trust Deed) (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.

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 clearing system specified in Part B of the applicable Final Terms.

2. Status, Ranking and Subordination

2.1 Status of Senior Preferred Notes

This Condition 2.1 shall apply if this Note is a Senior Preferred Note.

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank (subject to the provisions of Condition 3) *pari passu* and without any preference among themselves, junior to obligations required to be preferred by law (which includes certain member share accounts and deposits which are given preferential status by law) and at least equally with all other Ordinary Non-Preferential Debts of the Issuer.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), for so long as they are not secured pursuant to the provisions of Condition 3, the Notes and any relative Coupons form part of the class of Ordinary Non-Preferential Debts of the Issuer under the Insolvency Act (and any other Ranking Legislation).

2.2 Status and Ranking of Senior Non-Preferred Notes

This Condition 2.2 shall apply if this Note is a Senior Non-Preferred Note.

(a) Status and Ranking

The Senior Non-Preferred Notes may only be issued on terms such that they (A) have an original contractual maturity of at least one year and (B) are not derivatives and contain no embedded derivatives for the purposes of Section 387A(3)(b)(ii) of the Insolvency Act (and the relevant section of any other Ranking Legislation).

The Notes and any relative Coupons are direct and unsecured obligations of the Issuer and, subject to the Insolvency Act (and any other Ranking Legislation), constitute Secondary Non-Preferential Debts under the Insolvency Act (and any other Ranking Legislation), ranking *pari passu* and without any preference among themselves.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), claims in respect of principal, interest and any other amount (including, without limitation, any damages awarded for breach of the Issuer's obligations) in respect of the Notes and any relative Coupons will, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), rank as provided for Secondary Non-Preferential Debts in the Insolvency Act (and any other Ranking Legislation), and therefore:

- (i) junior in right of payment to all Senior Claims;
 - (ii) *pari passu* with all other Senior Non-Preferred Claims; and
 - (iii) in priority to all Subordinated Claims.
- (b) *Waiver of Set-off, etc.*

Subject to applicable law, no holder of a Note or any relative Coupon may exercise, claim or plead any right of set-off (including, without limitation, compensation or retention), counterclaim or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Notes or any relative Coupons, and each Noteholder and Couponholder shall, by virtue of being the holder of (or the holder of any interest in) any such Note or relative Coupon (as the case may be), be deemed to have waived all such rights of set-off (including, without limitation, compensation or retention), counterclaim or netting. Notwithstanding the provision of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder of a Note or relative Coupon against the Issuer is discharged by set-off (including, without limitation, compensation or retention), counterclaim or netting, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of winding up or dissolution of the Issuer, the liquidator, trustee or other insolvency official of the Issuer, and accordingly such discharge will be deemed not to have taken place.

Condition 2.2(b) shall not be construed as indicating or acknowledging that any rights of set-off (including, without limitation, compensation or retention), counterclaim or netting would, but for this Condition 2.2(b), otherwise be available to any holder of any Senior Non-Preferred Note or any relative Coupon with respect to such Note or Coupon.

2.3 Status and Subordination of Subordinated Notes

This Condition 2.3 shall apply if this Note is a Subordinated Note.

- (a) *Status and Subordination*

The Notes and any relative Coupons are direct and unsecured obligations of the Issuer, subordinated as described below, and rank *pari passu* and without any preference among themselves.

Accordingly, subject to the Insolvency Act (and any other Ranking Legislation), the Notes form part of the class of Tertiary Non-Preferential Debts under the Insolvency Act (and any other Ranking Legislation), and claims in respect of principal, interest and any other amount (including, without limitation, any damages awarded for breach of the Issuer's obligations) in respect of the Notes and any relative Coupons will, in the event of the winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution):

- (i) be subordinated in right of payment in the manner provided in the Insolvency Act (and any other Ranking Legislation) and the Trust Deed to (x) all Senior Claims, (y) all Senior Non-Preferred Claims and (z) any Subordinated Claims (if any) which rank, or are expressed by their terms to rank, in priority to claims in respect of the Notes;
 - (ii) rank at least *pari passu* with claims in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital; and
 - (iii) rank in priority to claims in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Additional Tier 1 Capital or CET1 Capital (including the Issuer's core capital deferred shares) and in priority to any other claims (including, without limitation, claims in respect of the Issuer's permanent interest bearing shares) which rank, or are expressed by their terms to rank, junior to claims in respect of the Notes.
- (b) *Waiver of Set-off, etc.*

Subject to applicable law, no holder of a Note or any relative Coupon may exercise, claim or plead any right of set-off (including, without limitation, compensation or retention), counterclaim or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Notes or any relative Coupons, and each Noteholder and Couponholder shall, by virtue of being the holder of (or the holder of any interest in) any such Note or Coupon (as the case may be), be deemed to have waived all such rights of set-off (including, without limitation, compensation or retention), counterclaim or netting. Notwithstanding the provision of the foregoing sentence, if any of the said rights and claims of any Noteholder or Couponholder of a Note or relative Coupon against the Issuer is discharged by set-off (including, without limitation, compensation or retention), counterclaim or netting such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of winding up or dissolution of the Issuer, the liquidator, trustee or other insolvency official of the Issuer and accordingly such discharge will be deemed not to have taken place.

Condition 2.3(b) shall not be construed as indicating or acknowledging that any rights of set-off (including, without limitation, compensation or retention), counterclaim or netting would, but for this Condition 2.3(b), otherwise be available to any holder of any Subordinated Note or any relative Coupon with respect to such Note or Coupon.

2.4 Certain definitions

As used in these Terms and Conditions:

deferred share investments has the meaning ascribed thereto in the Memorandum and Rules of the Issuer (and includes the Issuer's permanent interest bearing shares and core capital deferred shares);

Excluded Dissolution means each of (i) a winding up or dissolution of the Issuer for the purpose of a reconstruction, union, transfer, merger or amalgamation or the substitution in place of the Issuer of a successor in business, the terms of which reconstruction, union, transfer, merger, amalgamation or substitution (x) have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions, and (ii) a dissolution of the Issuer following, or in connection with, a Permitted Reorganisation whereby the Successor Entity is substituted in place of the Issuer as principal debtor under the Trust Deed, the Notes and any relative Coupons;

Insolvency Act means the Insolvency Act 1986, as amended or superseded from time to time;

investing members has the meaning ascribed thereto in the Memorandum and Rules of the Issuer;

Ordinary Non-Preferential Debts means 'ordinary non-preferential debts' as defined in Section 387A(3)(a) of the Insolvency Act (or, as the case may be, in the relevant section of any other Ranking Legislation);

Ranking Legislation means (i) the Building Societies Act 1986, as amended, (ii) the Insolvency Act and (iii) any other law or regulation from time to time which is applicable to the Issuer and relevant for determining the rights of members and creditors of the Issuer in a winding up or dissolution of the Issuer;

Regulatory Capital Requirements means, at any time, any requirement contained in the law, regulations, requirements, guidelines and policies then in effect (whether or not having the force of law) relating to capital adequacy and prudential supervision and applicable to the Issuer, including (without limitation to the generality of the foregoing), those applicable laws, regulations, requirements, guidelines and policies relating to capital adequacy and prudential supervision then in effect of the United Kingdom or the relevant Supervisory Authority;

Secondary Non-Preferential Debts means ‘secondary non-preferential debts’ as defined in Section 387A(3)(b) of the Insolvency Act (or, as the case may be, in the relevant section of any other Ranking Legislation);

Senior Claims means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are:

- (i) claims of investing members of the Issuer as regards the principal and interest due on share investments other than deferred share investments; and
- (ii) claims (including, as applicable, those of depositors) in respect of Ordinary Non-Preferential Debts of the Issuer and all other obligations of the Issuer which are preferred by law to Secondary Non-Preferential Debts;

Senior Non-Preferred Claims means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are claims of creditors in respect of Secondary Non-Preferential Debts of the Issuer;

Subordinated Claims means the aggregate amount of all claims admitted in the winding up or dissolution of the Issuer which are claims in respect of Tertiary Non-Preferential Debts of the Issuer (or which otherwise rank or are expressed by their terms to rank junior to Senior Non-Preferred Claims), including (without limitation) claims in respect of obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital, Additional Tier 1 Capital or CET1 Capital (including the Issuer’s core capital deferred shares) and claims in respect of the Issuer’s permanent interest bearing shares;

Supervisory Authority means, from time to time, the Prudential Regulation Authority, the Bank of England and/or such other authority having for the time being primary supervisory authority and/or responsibility with respect to prudential or resolution matters concerning the Issuer and/or its group, as may be relevant in the context;

Tertiary Non-Preferential Debts means ‘tertiary non-preferential debts’ as defined in Section 387A(3)(c) of the Insolvency Act (or, as the case may be, in the relevant section of any other Ranking Legislation);

Tier 1 Capital, CET1 Capital, Additional Tier 1 Capital and Tier 2 Capital have the respective meanings given thereto (or to a successor or equivalent term) in the Regulatory Capital Requirements; and

references to a **winding up or dissolution** in respect of the Issuer (which term includes, where the context admits, a Successor Entity which has been substituted in place of the Issuer) shall include (as applicable): (i) an order being made, or an effective resolution being passed, for the winding up or dissolution of the Issuer; (ii) following the appointment of an administrator in respect of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend; or (iii) the liquidation of the Issuer, or any procedure similar to that described in part (i) or (ii) of this definition occurring in respect of the Issuer (including, if applicable, any building society or bank insolvency procedure, or a building society or bank administration procedure involving a distribution to creditors, pursuant to the Banking Act 2009) which has the effect of a winding up or dissolution.

3. Negative Pledge

This Condition 3 does not apply if this Note is a Senior Non-Preferred Note or a Subordinated Note.

So long as any of the Notes remains outstanding the Issuer will not, and will not suffer or permit any Subsidiary of the Issuer to, create or have outstanding any mortgage, lien (not being a lien arising by operation of law), pledge or other security interest upon the whole or any part of its undertaking or assets, present or future, (**Security**) to secure any Loan Stock of the Issuer or such Subsidiary, respectively, or any obligation of the Issuer or of any Subsidiary of the Issuer under any guarantee of or indemnity in respect of Loan Stock of any other person, without at the same time or prior thereto securing the Notes and the Coupons (the **Protected Notes and Coupons**) equally and rateably therewith to the satisfaction of the Trustee or providing such other security for the Protected Notes and Coupons which the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or which shall be approved by an Extraordinary Resolution of the Noteholders, provided that the Issuer or any Subsidiary of the Issuer may create or have outstanding Security with respect to Loan Stock (without the obligation to secure the Protected Notes and Coupons as aforesaid) if at the date of the creation thereof the Issuer and its Subsidiaries have and thereafter maintain free and clear of Security assets the fair market value of which (calculated on a consolidated basis) is at least equal to the aggregate nominal amount of all Loan Stock which is not secured by any such Security. **Loan Stock** is defined in the Trust Deed to mean indebtedness for the time being outstanding which is in the form of or represented or evidenced by bonds, notes, debentures, loan stock or other similar securities.

4. Interest

4.1 Interest on Fixed Rate Notes

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Reset Notes, Floating Rate Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

If “*Business Day Convention—Adjusted*” is specified in the applicable Final Terms, (a) any Fixed Interest Date otherwise falling on a day which is not a Business Day (as defined in Condition 4.2 below) will be postponed or brought forward (as applicable) in accordance with the Business Day Convention (as described in Condition 4.2(a)) set out in the applicable Final Terms which, for the avoidance of doubt, shall not be the Floating Rate Convention and (b) the amount of interest payable on a Fixed Interest Date will be the amount accrued during the Fixed Interest Period ending immediately prior to such Fixed Interest Date, and the provisions of Condition 4.2(d) (excluding the determination of the Rate of Interest) and Condition 4.2(f) (excluding the notification of the Rate of Interest) shall apply, *mutatis mutandis*, as though references therein (and, if applicable, in the description of the relevant Business Day Convention (as set out in Condition 4.2(a)) to (A) “Floating Rate Notes” were to “Fixed Rate Notes”; (B) “Interest Amounts” were to amounts of interest payable in respect of Fixed Rate Notes; (C) “Interest Payment Date” were to “Fixed Interest Date”; and (D) “Interest Period” were to “Fixed Interest Period”.

If “*Business Day Convention—Non-Adjusted*” is specified in the applicable Final Terms, any Fixed Interest Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the applicable Final Terms (as described below) which,

for the avoidance of doubt, shall not be the Floating Rate Convention but there will be no corresponding adjustment of the amount of interest payable on such Fixed Interest Date.

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

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In this Condition, **Fixed Interest Period** means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (i) the Interest Payment Date(s) in each year (the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date, each an **Interest Period**); or
- (ii) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an Interest Payment Date) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

If any Interest Payment Date which is specified in the applicable Final Terms to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (A) in any case where Interest Periods are specified in accordance with Condition 4.2(a)(ii) above, the **Floating Rate** Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (I) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (II) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date occurred; or
- (B) the **Following Business Day** Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

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

In this Condition, **Business Day** means:

- I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;
- II. if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which T2 is open; and
- III. either (a) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (b) in relation to any sum payable in euro, a day on which T2 is open.

In these Terms and Conditions:

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and

T2 means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system.

(b) **Rate of Interest**

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

(i) ***Screen Rate Determination – Term Rate***

This Condition 4.2(b)(i) applies where the applicable Final Terms specifies “*Term Rate*” to be ‘Applicable’.

- (A) The Rate of Interest for each Interest Period will, subject to Condition 4.4 and as provided below, be either:
 - I. the offered quotation (if there is only one quotation on the Relevant Screen Page); or

- II. the arithmetic mean (rounded upwards if necessary to the nearest 0.0001 per cent.) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) at the Specified Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (B) If the Relevant Screen Page is not available or if sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the Issuer shall, if applicable, request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate as at approximately 11.00 a.m. (Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Final Terms) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations (excluding, if four or more of the Reference Banks provide the Calculation Agent with such quotations and the offered quotations of all such Reference Banks are not the same, the highest and lowest quotations and, if the highest quotation and/or the lowest quotation applies in respect of more than one such Reference Bank, excluding such highest and/or lowest quotation in respect of one such Reference Bank) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.
- (C) If on any Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being either:
- (i) the arithmetic mean (rounded as provided above) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, which such banks were offered, at approximately 11.00 a.m. (Brussels time, if the Reference Rate is EURIBOR) or (if otherwise specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Final Terms) on the relevant Interest Determination Date (or if such date is not a Business Day, on the immediately preceding Business Day), deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre for the relevant Reference Rate, in each case plus or minus (as indicated in the applicable Final Terms) the Margin (if any); or
 - (ii) in the event that the Calculation Agent can determine no such arithmetic mean, the lowest lending rate for lending amounts in the Specified Currency for a period equal to that which would have been used for the Reference Rate at which at approximately 11.00 a.m. (Brussels time, if the Reference Rate is EURIBOR) or (if otherwise

specified) the Specified Time in the Relevant Financial Centre (each as indicated in the applicable Final Terms) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or otherwise the inter-bank market of the Relevant Financial Centre, in each case plus or minus (as indicated in the applicable Final Terms) the Margin (if any),

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

- I. that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or;
- II. if there is no such preceding Interest Determination Date, the initial Rate of Interest (but substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is/are to be applied to the relevant Interest Period from that which applied to the initial Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that initial Interest Period) or, in the case of Notes with an Interest Basis that converts from a Fixed Rate to a Floating Rate, the Fixed Rate of Interest applicable to such Notes immediately prior to conversion of the Interest Basis.

Reference Banks means, in the context of Condition 4.2(b)(i)(A) (I), those banks whose offered rates were used to determine the offered quotation referred to in such Condition when such offered quotation last appeared on the Relevant Screen Page and, in the context of Condition 4.2(b)(i)(A) (II), those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(ii) ***Screen Rate Determination – Overnight Rate - Compounded Daily SONIA - Non-Index Determination***

This Condition 4.2(b)(ii) applies where the applicable Final Terms specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily SONIA*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Not Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

Compounded Daily SONIA means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the

resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

d is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

D is the number specified as such in the applicable Final Terms (or, if no such number is specified, 365);

d_o means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days in the relevant Observation Period;

i is a series of whole numbers from one to “*d_o*”, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i for any London Banking Day “*i*”, means the number of calendar days from (and including) such London Banking Day “*i*” up to (but excluding) the following London Banking Day;

Observation Period means the period from (and including) the date falling “*p*” London Banking Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “*p*” London Banking Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such

Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days specified as the “Lag Period” in the applicable Final Terms (or, if no such number is so specified, five London Banking Days); or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days specified as the “Observation Shift Period” in the applicable Final Terms (or, if no such number is specified, five London Banking Days);

the **SONIA reference rate**, in respect of any London Banking Day (**LBD_x**), is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such LBD_x as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following LBD_x; and

SONIA_i means the SONIA reference rate for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the London Banking Day falling “*p*” London Banking Days prior to the relevant London Banking Day “*i*”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant London Banking Day “*i*”.

(B) Subject to Condition 4.4, if, where any Rate of Interest is to be calculated pursuant to Condition 4.2(b)(ii)(A) above, in respect of any London Banking Day on which an applicable SONIA reference rate is required to be determined, such SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the SONIA reference rate in respect of such London Banking Day shall be the rate determined by the Calculation Agent as:

- I. the sum of (i) the Bank of England’s Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- II. if the Bank Rate under (I)(i) above is not available at the relevant time, either (A) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (I) above,

and, in each case, references to “SONIA reference rate” in Condition 4.2(b)(ii)(A) above shall be construed accordingly.

(C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(ii), and without prejudice to Condition 4.4, the Rate of Interest shall be:

- (i) that determined as at the last preceding Interest Determination Date on which the Rate of Interest was so determined (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Accrual Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Accrual Period); or
- (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Calculation Agent.

(iii) ***Screen Rate Determination – Overnight Rate - Compounded Daily SONIA - Index Determination***

This Condition 4.2(b)(iii) applies where the applicable Final Terms specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily SONIA*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Applicable’.

(A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be the Compounded Daily SONIA Rate with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

Compounded Daily SONIA Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent by reference to the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed on the Relevant Screen Page specified in the applicable Final Terms, or, if no such page is so specified or if such page is unavailable at the relevant time, as otherwise published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date (the **SONIA Compounded Index**), and in accordance with the following formula:

$$\text{Compounded Daily SONIA Rate} = \left(\frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}}} - 1 \right) \times \frac{365}{d}$$

where:

d is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index_{Start} is determined to (but excluding) the day in relation to which SONIA Compounded Index_{End} is determined;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

Relevant Number is the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

SONIA Compounded Index_{Start} means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of such Interest Accrual Period; and

SONIA Compounded Index_{End} means, with respect to an Interest Accrual Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period).

(B) If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Compounded Daily SONIA Rate for the applicable Interest Accrual Period for which the SONIA Compounded Index is not available shall be “Compounded Daily SONIA” determined in accordance with Condition 4.2(b)(ii) above as if “*Index Determination*” were specified in the applicable Final Terms as being ‘Not Applicable’, and for these purposes: (i) the “*Observation Method*” shall be deemed to be “*Observation Shift*” and (ii) the “*Observation Shift Period*” shall be deemed to be equal to the Relevant Number of London Banking Days, as if those alternative elections had been made in the applicable Final Terms.

(iv) ***Screen Rate Determination – Overnight Rate – SOFR – Non-Index Determination***

This Condition 4.2(b)(iv) applies where the applicable Final Terms specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) either “*Compounded Daily SOFR*” or “*Weighted Average SOFR*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Not Applicable’.

Where the applicable Final Terms specifies the Reference Rate to be “*Compounded Daily SOFR*”, the provisions of paragraph (A) below of this Condition 4.2(b)(iv) apply.

Where the applicable Final Terms specifies the Reference Rate to be “*Weighted Average SOFR*”, the provisions of paragraph (B) below of this Condition 4.2(b)(iv) apply.

(A) *Compounded Daily SOFR*

Where this paragraph (A) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be Compounded Daily SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

Compounded Daily SOFR means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily U.S. dollars secured overnight financing rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

d is the number of calendar days in:

- (i) where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

D is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

d_o means:

- (i) where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days in the relevant Observation Period;

i is a series of whole numbers from one to “*d_o*”, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

Lock-out Period means the period from (and including) the day following the Interest Determination Date to (but excluding) the corresponding Interest Payment Date;

New York Fed's Website means the website of the Federal Reserve Bank of New York (or a successor administrator of SOFR) or any successor source;

n_i for any U.S. Government Securities Business Day " i ", means the number of calendar days from (and including) such U.S. Government Securities Business Day " i " up to (but excluding) the following U.S. Government Securities Business Day;

Observation Period means the period from (and including) the date falling " p " U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling " p " U.S. Government Securities Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the "Lag Period" in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days);
- (ii) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, zero U.S. Government Securities Business Days; or
- (iii) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days specified as the "Observation Shift Period" in the applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days);

Reference Day means each U.S. Government Securities Business Day in the relevant Interest Accrual Period, other than any U.S. Government Securities Business Day in the Lock-out Period;

SOFR in respect of any U.S. Government Securities Business Day (**USBD_x**), is a reference rate equal to the daily secured overnight financing rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case at or around 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such USBD_x;

SOFR_i means the SOFR for:

- (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling " p " U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day " i ";
- (ii) where "Lock-out" is specified as the Observation Method in the applicable Final Terms:

- (I) in respect of each U.S. Government Securities Business Day “*i*” that is a Reference Day, the SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; or
- (II) in respect of each U.S. Government Securities Business Day “*i*” that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), the SOFR in respect of the U.S. Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or
- (iii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day “*i*”; and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(B) *Weighted Average SOFR*

Where this paragraph (B) applies, the Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be the Weighted Average SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as calculated by the Calculation Agent as of the Interest Determination Date (and rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards), where:

Weighted Average SOFR means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant SOFR by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day; and
- (ii) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the SOFR in effect for each calendar day during the relevant Interest Accrual Period, calculated by multiplying each relevant SOFR by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Accrual Period, *provided* however that for any calendar day of such Interest Accrual Period falling in the Lock-out Period, the relevant SOFR for each day during that Lock-out Period will be deemed to be the SOFR in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes, the SOFR in effect for any calendar day which is not a U.S. Government Securities Business Day shall, subject to the proviso above, be deemed to be the SOFR in effect for the U.S. Government Securities Business Day immediately preceding such calendar day.

Defined terms used in this paragraph (B) and not otherwise defined herein have the meanings given to them in paragraph (A) above of this Condition 4.2(b)(iv).

(C) *SOFR Unavailable*

Subject to Condition 4.4, if, where any Rate of Interest is to be calculated pursuant to this Condition 4.2(b)(iv), in respect of any U.S. Government Securities Business Day in respect of which an applicable SOFR is required to be determined, such SOFR is not available, such SOFR shall be the SOFR for the first preceding U.S. Government Securities Business Day in respect of which the SOFR was published on the New York Fed's Website.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(iv) but without prejudice to Condition 4.4, the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 4.2(b)(ii)(C).

(v) ***Screen Rate Determination – Overnight Rate - SOFR - Index Determination***

This Condition 4.2(b)(v) applies where the applicable Final Terms specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily SOFR*” as the Reference Rate; and (2) “*Index Determination*” to be ‘Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be the Compounded SOFR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

Compounded SOFR means, with respect to an Interest Accrual Period, the rate (expressed as a percentage and rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined by the Calculation Agent in accordance with the following formula:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \frac{360}{d_c}$$

where:

d_c is the number of calendar days from (and including) the day in relation to which $SOFR\ Index_{Start}$ is determined to (but excluding) the day in relation to which $SOFR\ Index_{End}$ is determined;

Relevant Number is the number specified as such in the applicable Final Terms (or, if no such number is specified, five);

SOFR means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website;

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

SOFR Administrator's Website means the website of the SOFR Administrator, or any successor source;

SOFR Index, with respect to any U.S. Government Securities Business Day, means the SOFR index value as published by the SOFR Administrator as such index appears on the SOFR Administrator’s Website at or around 3.00 p.m. (New York time) on such U.S. Government Securities Business Day (the **SOFR Determination Time**);

SOFR Index_{Start}, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding the first day of such Interest Accrual Period;

SOFR Index_{End}, with respect to an Interest Accrual Period, is the SOFR Index value for the day which is the Relevant Number of U.S. Government Securities Business Days preceding (A) the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period); and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (B) If, as at any relevant SOFR Determination Time, the relevant SOFR Index is not published or displayed on the SOFR Administrator’s Website by the SOFR Administrator, the Compounded SOFR for the applicable Interest Accrual Period for which the relevant SOFR Index is not available shall be “Compounded Daily SOFR” determined in accordance with Condition 4.2(b)(iv) above as if “*Index Determination*” were specified in the applicable Final Terms, as being ‘Not Applicable’, and for these purposes: (i) the “*Observation Method*” shall be deemed to be “*Observation Shift*” and (ii) the “*Observation Shift Period*” shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

(vi) ***Screen Rate Determination – Overnight Rate - Compounded Daily €STR – Non-Index Determination***

This Condition 4.2(b)(vi) applies where the applicable Final Terms specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily €STR*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Not Applicable’.

- (A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

Compounded Daily €STR means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

the **€STR reference rate**, in respect of any TARGET Business Day (TBD_x), is a reference rate equal to the daily euro short-term rate (**€STR**) for such TBD_x as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Business Day immediately following TBD_x (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

€STR_i means the €STR reference rate for:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the TARGET Business Day falling “ p ” TARGET Business Days prior to the relevant TARGET Business Day “ i ”; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant TARGET Business Day “ i ”.

d is the number of calendar days in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

D is the number specified as such in the applicable Final Terms (or, if no such number is specified, 360);

d_o means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days in the relevant Observation Period;

i is a series of whole numbers from one to “ d_o ”, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i for any TARGET Business Day “*i*”, means the number of calendar days from (and including) such TARGET Business Day “*i*” up to (but excluding) the following TARGET Business Day;

Observation Period means the period from (and including) the date falling “*p*” TARGET Business Days prior to the first day of the relevant Interest Accrual Period to (but excluding) the date falling “*p*” TARGET Business Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) (in the case of any other Interest Accrual Period) the date on which the relevant payment of interest falls due;

p means:

- (i) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days specified as the “Lag Period” in the applicable Final Terms (or, if no such number is so specified, five TARGET Business Days); or
- (ii) where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of TARGET Business Days specified as the “Observation Shift Period” in the applicable Final Terms (or, if no such number is specified, five TARGET Business Days); and

TARGET Business Day means any day on which T2 is open.

(B) Subject to Condition 4.4, if, where any Rate of Interest is to be calculated pursuant to Condition 4.2(b)(vi)(A) above, in respect of any TARGET Business Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Business Day shall be the €STR reference rate for the first preceding TARGET Business Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.

(C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 4.2(b)(vi) but without prejudice to Condition 4.4, the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of Condition 4.2(b)(ii)(C).

(vii) ***Screen Rate Determination – Overnight Rate - Compounded Daily TONA – Non-Index Determination***

This Condition 4.2(b)(vii) applies where the applicable Final Terms specifies: (1) “*Overnight Rate*” to be ‘Applicable’; (2) “*Compounded Daily TONA*” as the Reference Rate; and (3) “*Index Determination*” to be ‘Not Applicable’.

(A) The Rate of Interest for an Interest Accrual Period will, subject to Condition 4.4 and as provided below, be Compounded Daily TONA with respect to such Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

Compounded Daily TONA means, with respect to an Interest Accrual Period, the rate calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance

with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

1. if the Observation Method is specified as being “Lookback” in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{TONA}_{-pTBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Accrual Period;

d_o is the number of Tokyo Banking Days in the relevant Interest Accrual Period;

i is a series of whole numbers from one to “ d_o ”, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant Interest Accrual Period;

n_i for any Tokyo Banking Day “ i ” in the relevant Interest Accrual Period, is the number of calendar days from (and including) such Tokyo Banking Day “ i ” up to (but excluding) the following Tokyo Banking Day (“ $i+1$ ”); and

TONA_{-pTBD} means, in respect of any Tokyo Banking Day “ i ” falling in the relevant Interest Accrual Period, the TONA Reference Rate for the Tokyo Banking Day falling “ p ” Tokyo Banking Days prior to such Tokyo Banking Day “ i ”; or

2. if the Observation Method is specified as being “Observation Shift” in the applicable Final Terms:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{TONA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant TONA Observation Period;

d_o is the number of Tokyo Banking Days in the relevant TONA Observation Period;

i is a series of whole numbers from one to “ d_o ”, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant TONA Observation Period;

n_i for any Tokyo Banking Day “ i ” in the relevant TONA Observation Period, is the number of calendar days from (and including) such Tokyo Banking Day “ i ” up to (but excluding) the following Tokyo Banking Day (“ $i+1$ ”); and

TONA_i means, in respect of any Tokyo Banking Day “ i ” falling in the relevant TONA Observation Period, the TONA Reference Rate for such Tokyo Banking Day.

(B) *Correction of TONA*

If the TONA Reference Rate in respect of any Tokyo Banking Day is subsequently corrected and provided by the administrator of TONA to authorised distributors of TONA and published on the Relevant Screen Page no later than the Correction Cut-off Time (if any) or, if later (or there is no such Correction Cut-off Time), one hour after the rate for such Tokyo Banking Day is published on the Relevant Screen Page, then TONA in respect of such Tokyo Banking Day shall be the subsequently corrected and published rate appearing on the Relevant Screen Page,

where:

Correction Cut-off Time means the time specified as such by the administrator of TONA in the TONA benchmark methodology.

(C) *TONA Index Cessation Event*

Notwithstanding Condition 4.4, if the Issuer determines at any time prior to the TONA Reference Time on any Tokyo Banking Day that a TONA Index Cessation Event has occurred, then the TONA Reference Rate in respect of each Tokyo Banking Day falling on or after the TONA Index Cessation Effective Date will be the JPY Recommended Rate.

If there is a JPY Recommended Rate before the end of the first Tokyo Banking Day following the TONA Index Cessation Effective Date, but neither the administrator nor authorised distributors provide or publish the JPY Recommended Rate, then, subject to the below, in respect of any day for which the JPY Recommended Rate is required, references to the JPY Recommended Rate will be deemed to be references to the last provided or published JPY Recommended Rate. However, if there is no last provided or published JPY Recommended Rate, then in respect of any day for which the JPY Recommended Rate is required, references to the JPY Recommended Rate will be deemed to be references to the last provided or published TONA.

The Issuer shall notify the Calculation Agent and, in accordance with Condition 18, the Noteholders of any determination by the Issuer of a TONA Index Cessation Event and of any applicable JPY Recommended Rate.

If:

- (I) there is no JPY Recommended Rate before the end of the first Tokyo Banking Day following the TONA Index Cessation Effective Date; or
- (II) there is a JPY Recommended Rate and a JPY Recommended Rate Index Cessation Effective Date subsequently occurs in respect of such JPY Recommended Rate,

then the rate in respect of each Tokyo Banking Day falling on or after the TONA Index Cessation Effective Date or a JPY Recommended Rate Fixing Day occurring on or after the JPY Recommended Rate Index Cessation Effective Date, as the case may be, will be such successor or alternative rate (if any) for the TONA Reference Rate or the JPY Recommended Rate, as the case may be, as is determined by the Issuer pursuant to Condition 4.4.

(D) *Definitions*

For the purposes of this Condition 4.2(b)(vii):

JPY Recommended Rate means, in respect of any Tokyo Banking Day, the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor in respect of such day;

JPY Recommended Rate Fixing Day means, in respect of the JPY Recommended Rate and any day, the publication day specified by the administrator of the JPY Recommended Rate for the JPY Recommended Rate in its benchmark methodology;

JPY Recommended Rate Index Cessation Effective Date means, in respect of the JPY Recommended Rate and a JPY Recommended Rate Index Cessation Event, the first date on which the JPY Recommended Rate would ordinarily have been published or provided and is no longer published or provided;

JPY Recommended Rate Index Cessation Event means, in respect of the JPY Recommended Rate:

- (a) a public statement or publication of information by or on behalf of the administrator of the JPY Recommended Rate announcing that it has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate; or
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the JPY Recommended Rate, the central bank for the currency of the JPY Recommended Rate, an insolvency official with jurisdiction over the administrator of the JPY Recommended Rate, a resolution authority with jurisdiction over the administrator of the JPY Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the JPY Recommended Rate, which states that the administrator of the JPY Recommended Rate has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate;

p means the number of Tokyo Banking Days specified as such in the applicable Final Terms;

TONA means the daily Tokyo Overnight Average rate administered by the Bank of Japan (or any successor administrator).

TONA Index Cessation Effective Date means, in respect of TONA and a TONA Index Cessation Event, the first date on which TONA would ordinarily have been published or provided and is no longer published or provided;

TONA Index Cessation Event means, in respect of TONA:

- (a) a public statement or publication of information by or on behalf of the administrator of TONA announcing that it has ceased or will cease to provide TONA permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide TONA; or

- (b) a public statement or publication of information by or on behalf of the regulatory supervisor for the administrator of TONA, the central bank for the currency of TONA, an insolvency official with jurisdiction over the administrator of TONA, a resolution authority with jurisdiction over the administrator of TONA or a court or an entity with similar insolvency or resolution authority over the administrator of TONA, which states that the administrator of TONA has ceased or will cease to provide TONA permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide TONA;

TONA Observation Period means, in respect of any Interest Accrual Period, the period from (and including) the date falling “p” Tokyo Banking Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling “p” Tokyo Banking Days prior to the Interest Payment Date for such Interest Accrual Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period);

TONA Reference Rate means the rate determined by the Calculation Agent, in respect of a Tokyo Banking Day, being a reference rate equal to (subject to Condition 4.2(b)(vii)(C)) the daily TONA for such Tokyo Banking Day as provided by the administrator of TONA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in each case as of approximately 10:00 a.m. (Tokyo time) (or any amended publication time as specified by the administrator of such rate) on the Tokyo Banking Day immediately following such Tokyo Banking Day. If no such rate is published by the administrator of TONA or an authorised distributor and is not otherwise provided by the administrator of TONA other than as a consequence of a TONA Index Cessation Event, then TONA for such Tokyo Banking Day will be TONA as last provided or published on the Relevant Screen Page (or as otherwise published by relevant authorised distributors) that appears at approximately 10:00 a.m. (Tokyo time) on the Bank of Japan’s Website on the Tokyo Banking Day immediately following such Tokyo Banking Day;

TONA Reference Time means, with respect to any determination of TONA, 10.00 a.m. (Tokyo time) on the Tokyo Banking Day immediately following the date of such determination; and

Tokyo Banking Day means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Tokyo.

(viii) ***Interest Accrual Period***

As used herein, an **Interest Accrual Period** means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the Notes become due and payable in accordance with Condition 10 or Condition 11 (as applicable), shall be the date on which the Notes become due and payable).

(ix) ***Determination of Rate of Interest following acceleration***

If the Notes become due and payable in accordance with Condition 10 or Condition 11 (as applicable), then:

- (A) if the applicable Final Terms specifies “*Overnight Rate*” to be ‘*Applicable*’, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable; and

(B) in all other cases, the Rate of Interest applicable to the Notes from time to time shall continue to be calculated in accordance with Clause 2.2 of the Trust Deed,

and (in either case) such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 4.5 and the Trust Deed.

(c) **Minimum and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period and if, but for this Condition 4.2(c), the Rate of Interest determined for such Interest Period (or any Interest Accrual Period falling within such Interest Period) would be less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period and if, but for this Condition 4.2(c), the Rate of Interest for such Interest Period (or any Interest Accrual Period falling within such Interest Period) would be greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period (or such Interest Accrual Period falling within such Interest Period) shall be equal to such Maximum Rate of Interest.

Unless the applicable Final Terms specifies otherwise, the Minimum Rate of Interest for any Interest Period (or other Interest Accrual Period) in respect of any Note shall be deemed to be nil.

(d) **Determination of Rate of Interest and calculation of Interest Amount**

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period (or other Interest Accrual Period).

The Calculation Agent will calculate the amount of interest (each an **Interest Amount**) for the relevant Interest Period (or other Interest Accrual Period). Each Interest Amount shall be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the Day Count Fraction specified in the applicable Final Terms. The resultant figure will be rounded as follows (or otherwise in accordance with applicable market convention):

- (i) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up);
- (ii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen; and
- (iii) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

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

In this Condition 4.2, **Calculation Agent** means the Agent or such other party identified as the Calculation Agent in the applicable Final Terms.

(e) Linear Interpolation

Where Linear Interpolation is specified as “Applicable” in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period; *provided however* that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable, with a view to such Independent Adviser determining such rate at such time and by reference to such sources as it determines appropriate for the purposes of the calculation of the Rate of Interest. The Independent Adviser shall instruct the Calculation Agent as to such rate. The Independent Adviser will consult with the Issuer with respect to such determination.

If, notwithstanding the use of reasonable endeavours, the Issuer is unable to appoint an Independent Adviser, or if an Independent Adviser is appointed by the Issuer but fails to make any relevant determination specified to be made by it under this Condition 4.2(e) prior to the relevant Interest Determination Date, the Issuer itself (acting in good faith and in a commercially reasonable manner) shall be entitled to determine the Rate of Interest.

An Independent Adviser appointed pursuant to this Condition 4.2(e) shall act in good faith and (in the absence of bad faith or fraud) neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Trustee, the Agents or the holders of any Notes or Coupons for any determination made by it pursuant to this Condition 4.2(e).

Designated Maturity means, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

This Condition 4.2(f) applies where the applicable Final Terms specifies “*Term Rate*” to be ‘Applicable’.

- (A) Except where the applicable Final Terms specifies “*Overnight Rate*” to be ‘Applicable’, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Trustee and to any listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to be published in accordance with Condition 18 as soon as possible after their determination but in no event later than the fourth Business Day (as defined in Condition 4.2(a) above) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment or alternative arrangements will promptly be notified to each listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to the Noteholders in accordance with Condition 18.
- (B) Where the applicable Final Terms specifies “*Overnight Rate*” to be ‘Applicable’, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Trustee and to any listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to be published in accordance with Condition 18 as soon as possible after their determination but in no event later than the second Business Day

thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the relevant Interest Accrual Period. Any such amendment or alternative arrangements will promptly be notified to each listing authority, stock exchange and/or quotation system to which the Floating Rate Notes have then been admitted to listing, trading and/or quotation and to the Noteholders in accordance with Condition 18.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

4.3 Interest on Reset Notes

(a) **Rates of Interest and Interest Payment Dates**

Each Reset Note bears interest on its outstanding nominal amount:

- (i) from (and including) the Interest Commencement Date specified in the applicable Final Terms, to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any, or otherwise the Maturity Date), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any, or otherwise the Maturity Date) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) payable, in each case, in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

The Rate of Interest and the amount of interest (the **Interest Amount**) payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 4.1 and, for such purposes, references in Condition 4.1 to “Fixed Rate Notes” and “Fixed Interest Date” shall be deemed to be to “Reset Notes” and “Interest Payment Date”, respectively, and Condition 4.1 shall be construed accordingly.

In this Condition 4.3:

Calculation Agent means the Agent or such other party identified as the Calculation Agent in the applicable Final Terms;

CMT Rate means (subject to Condition 4.4, if applicable), in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate determined by the Calculation Agent, and expressed as a percentage, equal to:

- (i) if the Reuters T7051 Page is specified in the applicable Final Terms, as the Designated CMT Reuters Page:
 - (a) the yield for United States Treasury securities at “constant maturity” having the Designated CMT Maturity Index specified in the applicable Final Terms, as published in H.15 under the caption “Treasury Constant Maturities”, as the yield is displayed on Reuters (or any successor service) on page FRBCMT (or any other page as may replace the specified page on that service or successor service) (**T7051 Page**), on such Reset Determination Date; or
 - (b) if the rate referred to in paragraph (a) does not so appear on the T7051 Page by 4:00 p.m. (New York City time) on the relevant Reset Determination Date, the percentage equal to the yield for United States Treasury securities at “constant maturity” having the particular Designated CMT Maturity Index and for such Reset Determination Date as published in H.15 under the caption “Treasury Constant Maturities”; or
 - (c) if the rate referred to in paragraph (b) does not so appear in H.15 by 4:30 p.m. (New York City time) on the relevant Reset Determination Date, the rate on such Reset Determination Date for the period of the particular Designated CMT Maturity Index as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15; or
 - (d) if the rate referred to in paragraph (c) is not so published, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 5:00 p.m. (New York City time) on that Reset Determination Date of three leading primary United States government securities dealers in The City of New York (which may include the agents or their affiliates) (each, a **Reference Dealer**), selected by the Issuer and provided by the Issuer to the Calculation Agent from five Reference Dealers so selected by the Issuer and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a nominal amount that is representative for a single transaction in the securities in that market at that time; or
 - (e) if fewer than five but more than two of the prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated; or
 - (f) if fewer than three prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 5:00 p.m. (New York City time) on that Reset Determination Date of three Reference Dealers selected by the Issuer and provided by the Issuer to the Calculation Agent from five Reference Dealers so selected by the Issuer and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a nominal amount that is representative for a single transaction in the securities in that market at that time; or

- (g) if fewer than five but more than two prices referred to in paragraph (f) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated; or
 - (h) if fewer than three prices referred to in paragraph (f) are provided as requested, the CMT Rate determined as at the previous Reset Determination Date (or, if there is no previous Reset Determination Date, the rate determined by subtracting the First Margin from the Initial Rate of Interest); or
- (ii) if the Reuters Page T7052 is specified in the applicable Final Terms, as the Designated CMT Reuters Page:
- (a) the percentage equal to the one-week average yield for United States Treasury securities at “constant maturity” having the Designated CMT Maturity Index specified in the applicable Final Terms, as published in H.15 under the caption “Week Ending” and opposite the caption “Treasury Constant Maturities”, as the yield is displayed on Reuters (or any successor service) on page FEDCMT (or any other page as may replace the specified page on that service or any successor service) (**T7052 Page**), for the week preceding the week in which such Reset Determination Date falls; or
 - (b) if the rate referred to in paragraph (a) does not so appear on the T7052 Page, the percentage equal to the one-week average yield for United States Treasury securities at “constant maturity” having the particular Designated CMT Maturity Index and for the week preceding such Reset Determination Date as published in H.15 under the caption “Week Ending” and opposite the caption “Treasury Constant Maturities”; or
 - (c) if the rate referred to in paragraph (b) does not so appear in H.15, the one-week average yield for United States Treasury securities at “constant maturity” having the particular Designated CMT Maturity Index as otherwise announced by the Federal Reserve Bank of New York for the week preceding the week in which such Reset Determination Date falls; or
 - (d) if the rate referred to in paragraph (c) is not so published, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 5:00 p.m. (New York City time) on that Reset Determination Date of three Reference Dealers (as defined above) selected by the Issuer and provided by the Issuer to the Calculation Agent from five Reference Dealers so selected by the Issuer and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a nominal amount that is representative for a single transaction in the securities in that market at that time; or
 - (e) if fewer than five but more than two of the prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated; or
 - (f) if fewer than three prices referred to in paragraph (d) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 5:00 p.m. (New York City time) on that Reset Determination Date of three Reference Dealers selected by the Issuer and provided by the Issuer to the Calculation Agent from five Reference Dealers so selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one

of the lowest, for United States Treasury securities with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a nominal amount that is representative for a single transaction in the securities in that market at the time; or

- (g) if fewer than five but more than two prices referred to in paragraph (f) are provided as requested, the rate on such Reset Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest or the lowest of the quotations will be eliminated; or
- (h) if fewer than three prices referred to in paragraph (f) are provided as requested, the CMT Rate determined as at the previous Reset Determination Date (or, if there is no previous Reset Determination Date, the rate determined by subtracting the First Margin from the Initial Rate of Interest),

and, in each case, if two United States Treasury securities with an original maturity greater than the Designated CMT Maturity Index specified in the applicable Final Terms have remaining terms to maturity equally close to the particular Designated CMT Maturity Index, the quotes for the United States Treasury security with the shorter original remaining term to maturity will be used;

Designated CMT Maturity Index means the original period to maturity of the U.S. Treasury securities (being 1, 2, 3, 5, 7, 10, 20 or 30 years or such other period) specified in the applicable Final Terms with respect to which the CMT Rate will be calculated;

First Margin means the margin specified as such in the applicable Final Terms;

First Reset Date means the date specified as such in the applicable Final Terms;

First Reset Period means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

First Reset Rate of Interest means, in respect of the First Reset Period and subject (if applicable) to Conditions 4.3(b) and 4.4, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted (if the Reference Rate is either Mid-Swaps or the Reference Bond Yield), if not already on the same basis, from a basis equivalent to the Fixed Leg Swap Duration specified in the applicable Final Terms or the Reference Bond Yield, as the case may be, to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the First Margin;

Fixed Leg Swap Duration has the meaning specified in the applicable Final Terms;

Floating Leg Swap Duration has the meaning specified in the applicable Final Terms;

H.15 means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication;

Initial Rate of Interest has the meaning specified in the applicable Final Terms;

Mid-Market Swap Rate means, subject to Conditions 4.3(b) and (if applicable) 4.4, for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Duration (calculated on the basis of the Day Count Fraction as specified in the applicable Final Terms, as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the

Floating Leg Swap Duration (calculated on the day count basis specified for such Mid-Swap Floating Leg Benchmark Rate, as determined by the Calculation Agent);

Mid-Market Swap Rate Quotation means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

Mid-Swap Floating Leg Benchmark Rate means (subject to Condition 4.4, if applicable) the reference rate specified as such in the applicable Final Terms or, if no such reference rate is so specified:

- (i) if the Specified Currency is euro, the EURIBOR rate for the Floating Leg Swap Duration (calculated on an Actual/360 day count basis);
- (ii) if the Specified Currency is pounds sterling, the overnight SONIA rate compounded for the Floating Leg Swap Duration (calculated on an Actual/365 day count basis);
- (iii) if the Specified Currency is U.S. dollars, the overnight SOFR rate compounded for the Floating Leg Swap Duration (calculated on an Actual/360 day count basis); or
- (iv) if the Specified Currency is a currency other than euro, pounds sterling or U.S. dollars, the reference rate customary for determining the mid-swap floating leg for swaps in the relevant Specified Currency at such time, (calculated on such day count basis as is then customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

Mid-Swap Rate means, in relation to a Reset Determination Date and subject to Conditions 4.3(b) and (if applicable) 4.4, either:

- (i) if “*Single Mid-Swap Rate*” is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page or such replacement page on that service which displays the information; or
- (ii) if “*Mean Mid-Swap Rate*” is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (A) with a term equal to the relevant Reset Period; and
 - (B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page or such replacement page on that service which displays the information,

in either case, as at approximately the Mid-Swap Rate Determination Time specified in the applicable Final Terms, (or, if no such Mid-Swap Rate Determination Time is so specified, 11.00 a.m. in the principal financial centre of the Specified Currency) on such Reset Determination Date, all as determined by the Calculation Agent provided, however, that if there is no such rate appearing on the Relevant Screen Page for a term equal to the relevant Reset Period, then the Mid-Swap Rate shall be determined through the use of straight-line interpolation by reference to two rates, one of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next shorter than the length of the actual Reset Period and the other of which shall be determined in accordance with the above provisions, but as if the relevant Reset Period were the period of time for which rates are available next longer than the length of the actual Reset Period;

Mid-Swap Reference Banks means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected

with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute or an Independent Adviser;

Rate of Interest means the Initial Rate of Interest, the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest, as applicable;

Reference Bond means for any Reset Period a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, and unless otherwise specified in the applicable Final Terms, shall be Germany) selected by the Issuer on the advice of an investment bank of international repute or an Independent Adviser as having an actual or interpolated maturity comparable with the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the relevant Reset Period;

Reference Bond Reset Rate Time means the time specified in the applicable Final Terms;

Reference Bond Yield means the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond, expressed as a percentage, as determined by the Calculation Agent as follows on the basis of the Reference Bond Dealer Quotations provided to the Calculation Agent (upon request by the Issuer) by the Reference Bond Dealers at or around the relevant Reference Bond Reset Rate Time on the relevant Reset Determination Date. If four or more Reference Bond Dealer Quotations are so provided, the Reset Reference Rate shall be the arithmetic average of such Reference Bond Dealer Quotations after excluding the highest (or, in the event of equality, one of the highest) and lowest (or, in the event of equality, one of the lowest) such Reference Bond Dealer Quotations. If only two or three Reference Bond Dealer Quotations are so provided, the Reset Reference Rate shall be the arithmetic average of all such quotations. If only one Reference Bond Dealer Quotation is so provided, the Reset Reference Rate shall be the quotation provided. If no Reference Bond Dealer Quotations are so provided, the Reset Reference Rate will be (i) in the case of each Reset Period other than the First Reset Period, the Reset Reference Rate in respect of the immediately preceding Reset Period or (ii) in the case of the First Reset Period, the “Reference Bond Fallback Rate” set out in the applicable Final Terms;

Reference Bond Dealer means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

Reference Bond Dealer Quotations means, with respect to each Reference Bond Dealer and the relevant Reset Determination Date, the arithmetic mean average, as determined by the Calculation Agent, of the bid and offered yields to maturity or interpolated yields to maturity (on the relevant day count basis) for the relevant Reference Bond (expressed in each case as a percentage) at or around the Reference Bond Reset Rate Time on the relevant Reset Determination Date quoted in writing to the Calculation Agent by such Reference Bond Dealer acting on the Issuer’s request;

Relevant Screen Page means the screen page specified in the applicable Final Terms (or any successor or replacement screen displaying the relevant information);

Reset Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the applicable Final Terms;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

Reset Determination Date means, in respect of any Reset Period, and unless otherwise specified in the applicable Final Terms, the second Reset Business Day prior to the first day of such Reset Period;

Reset Period means the First Reset Period or a Subsequent Reset Period, as the case may be;

Reset Reference Rate means:

- (i) if “CMT Rate” is specified in the applicable Final Terms, the CMT Rate;

- (ii) if “*Mid-Swaps*” is specified in the applicable Final Terms, the Mid-Swap Rate; or
- (iii) if “*Reference Bond*” is specified in the applicable Final Terms, the Reference Bond Yield;

Second Reset Date means the date specified as such in the applicable Final Terms;

Subsequent Margin means the margin specified as such in the applicable Final Terms;

Subsequent Reset Date means the date or dates specified as such in, or determined in accordance with, the applicable Final Terms;

Subsequent Reset Period means (i) the period from (and including) the Second Reset Date to (but excluding) the next Reset Date, and (ii) each successive period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date (or, in the case of the final Subsequent Reset Period, the Maturity Date); and

Subsequent Reset Rate of Interest means, in respect of any Subsequent Reset Period and subject (if applicable) to Conditions 4.3(b) and 4.4, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum, converted (if the Reference Rate is either Mid-Swaps or the Reference Bond Yield), if not already on the same basis, from a basis equivalent to the Fixed Leg Swap Duration specified in the applicable Final Terms or the Reference Bond Yield, as the case may be, to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (such calculation to be determined by the Issuer in conjunction with a leading financial institution selected by it), of (A) the relevant Reset Reference Rate and (B) the relevant Subsequent Margin.

(b) **Fallbacks for Mid-Swap Rate**

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer shall request each of the Mid-Swap Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Mid-Swap Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum (converted as set out in the definition of such term above) of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one of the Mid-Swap Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be the sum (converted as set out in the definition of such term above) of (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date none of the Mid-Swap Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 4.3(b), the First Reset Rate of Interest or the relevant Subsequent Reset Rate of Interest (as applicable) shall be determined by the Calculation Agent as if, and on the assumption that, the relevant Reset Reference Rate were equal to:

- (i) the Mid-Swap Rate as if determined as at the latest date (the **Latest Publication Date**) on which the relevant swap rate (if “*Single Mid-Swap Rate*” is specified in the applicable Final Terms) or swap rate quotations (if “*Mean Mid-Swap Rate*” is specified in the applicable Final Terms) for a swap in the Specified Currency with a term equal to the relevant Reset Period was/were published on the Relevant Screen Page (deeming such latest rate or rates, as applicable, to apply to a swap commencing on the relevant Reset Date, whether or not this is the case); or

- (ii) if this is more recent than the Latest Publication Date, or if for any reason the relevant Reset Reference Rate cannot otherwise be determined in accordance with paragraph (i) above, the Mid-Swap Rate determined as at the last preceding Reset Date (or, for the purpose of determining the First Reset Rate of Interest on the first Reset Determination Date, the Mid-Swap Fallback Rate specified in the applicable Final Terms).
- (c) **Notification of First Reset Rate of Interest, Subsequent Reset Rate of Interest and Interest Amount**

The Calculation Agent will cause the First Reset Rate of Interest, any Subsequent Reset Rate of Interest and, in respect of a Reset Period, the Interest Amount payable on each Interest Payment Date falling in such Reset Period to be notified to the Issuer, the Agent, the Trustee and any competent authority or stock exchange by or on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 18 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined in Condition 4.2(d)) thereafter.
- (d) **Determination or Calculation by an agent appointed by the Trustee**

If for any reason the Calculation Agent defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with Condition 4.3(a), the Trustee may (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) appoint an agent to do so and such determination shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 4.3 with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. Without prejudice to the provisions of Condition 4.3(e) below, the Trustee shall have no liability to any person in connection with any determination or calculation made by any agent so appointed pursuant to this Condition.
- (e) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.3 by the Calculation Agent or any agent appointed by the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Calculation Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee or any agent appointed by the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.
- (f) **Interest on Exempt Notes**

In the case of Exempt Notes which are also Floating Rate Notes, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, SONIA, SOFR, €STR or TONA, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes, Floating Rate Notes or Reset Notes shall be determined in the manner specified in the applicable Pricing Supplement.

4.4 Benchmark Discontinuation

This Condition 4.4 applies in respect of each issue of Floating Rate Notes and Reset Notes unless “*Benchmark Discontinuation*” is specified in the applicable Final Terms to be ‘Not Applicable’.

If the applicable Final Terms specifies “*Benchmark Replacement*” to be ‘Applicable’, the provisions of Condition 4.4(a) apply, together with the other provisions of this Condition 4.4 (other than Condition 4.4(b)).

If the applicable Final Terms specifies “*Benchmark Transition*” to be ‘Applicable’, the provisions of Condition 4.4(b) apply, together with the other provisions of this Condition 4.4 (other than Condition 4.4(a)).

If, in respect of Floating Rate Notes, the applicable Final Terms specifies “Compounded Daily TONA” as the Reference Rate, this Condition 4.4 shall apply subject to Condition 4.2(b)(vii)(C).

(a) *Benchmark Replacement*

If the Issuer determines that a Benchmark Event occurs in relation to an Original Reference Rate at any time when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.4(a)(ii)) and, in either case, the applicable Adjustment Spread (in accordance with Condition 4.4(a)(iii)) and any Benchmark Amendments (in accordance with Condition 4.4(a)(iv)).

If, notwithstanding the Issuer’s reasonable endeavours, the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the Issuer shall nevertheless be entitled, acting in good faith and in a commercially reasonable manner, to make any and all determinations expressed to be made by the Issuer pursuant to this Condition 4.4(a), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Issuer is unable to determine a Successor Rate or an Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments in accordance with this Condition 4.4(a), the provisions of Condition 4.4(g) below shall apply.

(ii) **Successor Rate or Alternative Rate**

If the Issuer, following consultation with such Independent Adviser (if appointed), determines in good faith that:

- (A) there is a Successor Rate, then such Successor Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 4.4(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.4); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 4.4(a)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.4).

(iii) **Adjustment Spread**

If a Successor Rate or Alternative Rate is determined in accordance with the foregoing provisions, the Issuer, following consultation with the Independent Adviser (if appointed), will determine in good faith the Adjustment Spread to be applied to such Successor Rate or Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.4 and the Issuer, following consultation with the Independent Adviser (if appointed), determines in good faith (A) that amendments to the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, Reset Determination Date, or Relevant Screen Page) are necessary to ensure the proper operation (having regard to prevailing market practice, if any) of such Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then (subject to Condition 4.4(f) below) the Issuer shall, subject to giving notice thereof in accordance with Condition 4.4(c), without any requirement for the consent or approval of Noteholders or Couponholders, vary the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4.4(c), the Trustee shall (at the Issuer's expense), without any requirement for the consent or approval of the Noteholders or Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed and/or agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4.4, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) **Definitions**

As used in this Condition 4.4(a):

Adjustment Spread means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which is to be applied to the Successor Rate or the Alternative Rate (as the case may be), being the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

- (B) in the case of an Alternative Rate (or in the case of a Successor Rate where (A) above does not apply), the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines is in customary market usage (or reflects an industry-accepted rate, formula or methodology) in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (C) if no such recommendation or option has been made (or made available) under (A) above and if the Issuer, following consultation with the Independent Adviser (if appointed) determines there is no such spread, formula or methodology in customary market usage or which is industry-accepted under (B) above, the Issuer, in its discretion, following consultation with the Independent Adviser (if appointed) and acting in good faith and in a commercially reasonable manner, determines to be appropriate having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this paragraph (C), of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders;

Alternative Rate means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser (if appointed), determines in accordance with this Condition 4.4 has replaced the Original Reference Rate in customary market usage, or is an industry-accepted rate, in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

Benchmark Event means, with respect to an Original Reference Rate, any one or more of the following:

- (A) the Original Reference Rate ceasing to exist or to be published or administered on a permanent or indefinite basis;
- (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or will cease to publish the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate);
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued;
- (D) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will be prohibited from being used, is no longer (or will no longer be) representative of its underlying market or that its use will be subject to restrictions or adverse consequences, in each case in circumstances where the same shall be applicable to the Notes; or
- (E) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for the Issuer, the Calculation Agent, or any Paying Agent to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate (including, without limitation, under the Regulation (EU) 2016/1011 as that Regulation applies in the European Union and/or as it forms part of United Kingdom domestic law),

provided that in the case of paragraphs (B) to (D) above, the Benchmark Event shall occur on:

- (i) in the case of (B) above, the date of the cessation of the publication of the Original Reference Rate;
- (ii) in the case of (C) above, the discontinuation of the Original Reference Rate; or
- (iii) in the case of (D) above, the date on which the Original Reference Rate is prohibited from use, is deemed no longer to be representative or becomes subject to restrictions or adverse consequences (as applicable),

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (i), (ii) or (iii) above, as applicable);

Independent Adviser means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense and approved in writing by the Trustee;

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall be deemed to include any such Successor Rate or Alternative Rate);

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(b) *Benchmark Transition*

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in relation to an Original Reference Rate at any time when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply.

(i) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining the Benchmark Replacement which will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent

application of this Condition 4.4(b) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes.

Any Benchmark Replacement so determined by the Issuer shall have effect for any subsequent determination of any relevant Rate of Interest (subject to any further application of this Condition 4.4(b) with respect to such Benchmark Replacement), subject, if any associated Benchmark Replacement Conforming Changes are required in connection therewith, to such Benchmark Replacement Conforming Changes becoming effective in accordance with the following provisions.

If, notwithstanding the Issuer's reasonable endeavours, the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph, the Issuer shall nevertheless be entitled, acting in good faith and in a commercially reasonable manner, to make any and all determinations expressed to be made by the Issuer pursuant to this Condition 4.4(b), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Issuer is unable to determine a Benchmark Replacement in accordance with this Condition 4.4(b), the provisions of Condition 4.4(g) below shall apply.

(ii) Benchmark Replacement Conforming Changes

If the Issuer, following consultation with the Independent Adviser (if appointed), considers it is necessary to make Benchmark Replacement Conforming Changes, the Issuer shall, in consultation with the Independent Adviser (if appointed), determine the terms of such Benchmark Replacement Conforming Changes, and (subject to Condition 4.4(f) below) shall, subject to giving notice in accordance with Condition 4.4(c) below (but without any requirement for the consent or approval of Noteholders), vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4.4(c), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed or an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed and/or agency agreement) in any way.

In connection with any such variation in accordance with this Condition 4.4(b), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(iii) Definitions

As used in this Condition 4.4(b):

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the Original Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to any Interest Period, Interest Accrual Period, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer (in consultation with the Independent Adviser, if appointed) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer (in consultation with the Independent Adviser, if appointed) determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Original Reference Rate permanently or indefinitely ceases to provide the Original Reference Rate (or such component); or
- (ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than (where the Rate of Interest is to be determined pursuant to Condition 4.2(b)(i)) the Specified Time or (in any other case) the customary or scheduled time for publication of the relevant reference rate in accordance with the then-prevailing operational procedures of the administrator of such reference rate or, as the case may be, of the other relevant information service publishing such reference rate, on, the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to such time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the Original Reference Rate (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Original Reference Rate (or such component) announcing that such administrator has ceased or will cease to provide the Original Reference Rate (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate (or such component), the central bank for the currency of the Original Reference Rate (or such component), an insolvency official with jurisdiction over the administrator for the Original Reference Rate (or such component), a resolution authority with jurisdiction over the administrator for the Original Reference Rate (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Original Reference Rate, which states that the administrator of the Original Reference Rate (or such component) has ceased or will cease to provide the Original Reference Rate (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative;

Corresponding Tenor means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the Original Reference Rate;

Independent Adviser means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense and approved in writing by the Trustee;

ISDA Definitions means the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and as amended and updated as at the Issue Date of the first Tranche of the Notes; or

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes (provided that if, following one or more Benchmark Transition Events, such originally specified benchmark or screen rate (or any benchmark used in any Benchmark Replacement which has replaced it (the **Replacement Benchmark**)) has been replaced by a (or a further) Replacement Benchmark and a Benchmark Transition Event subsequently occurs in respect of such Replacement

Benchmark, the term “Original Reference Rate” shall be deemed to include any such Replacement Benchmark);

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(c) *Notices, etc.*

The Issuer shall notify the Trustee, the Agent, the Calculation Agent (if different from the Agent), the Paying Agents and, in accordance with Condition 18, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and/or Benchmark Replacement, and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), determined under this Condition 4.4. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable), if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories:

- (i) confirming (x) that a Benchmark Event or a Benchmark Transition Event (as applicable) has occurred, (y) the Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or, as the case may be, the Benchmark Replacement and (z) the specific terms of the Benchmark Amendments or Benchmark Replacement Conforming Changes (if any), as applicable, in each case as determined in accordance with the provisions of this Condition 4.4;
- (ii) certifying that the Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) are necessary to ensure the proper operation of (as applicable) (A) such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread or (B) such Benchmark Replacement; and
- (iii) certifying that (i) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Issuer has not done so.

The Trustee shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. The Successor Rate, Alternative Rate, Benchmark Replacement, Adjustment Spread, Benchmark Amendments and/or Benchmark Replacement Conforming Changes (if any), as applicable, specified in such certificate will (in the absence of manifest error in the determination thereof and without prejudice to the Trustee’s ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent, the Calculation Agent, the Paying Agents and the Noteholders and Couponholders.

(d) *Survival of Original Reference Rate*

Without prejudice to the Issuer’s obligations under the provisions of this Condition 4.4, the Original Reference Rate and the fallback provisions provided for in Conditions 4.2 and 4.3, as applicable, will

continue to apply unless and until the Calculation Agent has been notified, in accordance with Condition 4.4(c), of (as the case may be):

- (i) the Successor Rate or the Alternative Rate (as the case may be), and (in either case) the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 4.4(a); or
- (ii) the Benchmark Replacement and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 4.4(b).

(e) *Restriction on Independent Adviser and Issuer liability*

An Independent Adviser appointed pursuant to this Condition 4.4 shall act in good faith.

In the absence of bad faith or fraud, neither the Issuer nor any Independent Adviser shall have any liability whatsoever to the Trustee, the Paying Agents, the Agent, the Calculation Agent or the Noteholders or Couponholders for any determination made by the Issuer or the Independent Adviser or (in the case of the Independent Adviser) for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4.4.

(f) **Regulatory Capital / Eligible Liabilities**

Notwithstanding any other provision of this Condition 4.4, the Issuer shall not be required to adopt any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Replacement, nor to effect any Benchmark Amendments or Benchmark Replacement Conforming Changes, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected either:

- (i) to prejudice the qualification of the Notes as Tier 2 Capital and/or as eligible liabilities or loss absorbing capacity instruments for the purposes of any Loss Absorption Regulations; or
- (ii) (if this Note is a Senior Non-Preferred Note only) to result in the relevant Supervisory Authority treating the relevant Interest Payment Date or the Reset Date, as the case may be, as the effective maturity date of the Notes, rather than the relevant Maturity Date specified in the applicable Final Terms.

In such event, the Issuer shall be entitled to apply the provisions of this Condition 4.4 with such further adjustments as it considers necessary to avoid the consequences described under (i) and/or (ii) above, *provided that* the Issuer, acting in good faith and in a commercial reasonable manner, has determined that so doing shall not be materially less favourable to Noteholders than failing to apply the provisions of this Condition 4.4 at all.

(g) **Fallbacks**

If, following the occurrence of:

- (i) a Benchmark Event; or
- (ii) a Benchmark Transition Event (and its related Benchmark Replacement Date),

in respect of the Original Reference Rate, on the immediately following Interest Determination Date or Reset Determination Date (as applicable):

- (A) (in the case of (i) above) no Successor Rate or Alternative Rate (as applicable) is determined pursuant to Condition 4.4(a) or (as the case may be) a Successor Rate or Alternative Rate (as applicable) is determined, but no Adjustment Spread is determined pursuant to Condition 4.4(a); or
- (B) (in the case of (ii) above) no Benchmark Replacement is determined in accordance with Condition 4.4(b),

then the original benchmark or screen rate (as applicable) will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date or Reset Determination Date (as the case may be), with the effect that the fallback provisions provided in Condition 4.2(b) and Condition 4.3(b), as applicable, will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4.4, *mutatis mutandis*, on one or more occasions until:

- (x) (in the case of (i) above) a Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and any Benchmark Amendments; or
- (y) (in the case of (ii) above) the Benchmark Replacement and any Benchmark Replacement Conforming Changes,

have been determined and notified in accordance with this Condition 4.4 (and, until such determination and notification (if any), the fallback provisions provided in Condition 4.2(b) and Condition 4.3(b), as applicable, will continue to apply).

The Issuer's intention is that, in circumstances where the Issuer has been unable to determine (as applicable) (i) a Successor Rate or Alternative Rate (as applicable) and (in either case) the Adjustment Spread or (ii) the Benchmark Replacement pursuant this Condition 4.4, it will elect to re-apply such provisions if and when, in its sole determination, there have been such subsequent developments (whether in applicable law, market practice or otherwise) as would enable the Issuer successfully to apply such provisions and determine (as applicable) (a) a Successor Rate or Alternative Rate (as applicable) and (in either case) the applicable Adjustment Spread and the applicable Benchmark Amendments (if any) or (b) the Benchmark Replacement and the applicable Benchmark Replacement Conforming Changes (if any).

(h) **Preparation in anticipation of a Benchmark Event or a Benchmark Transition Event**

If the Issuer anticipates that a Benchmark Event or a Benchmark Transition Event, as applicable, will or may occur, nothing in these Conditions shall prevent the Issuer (in its sole discretion) from taking, prior to the occurrence of such Benchmark Event or a Benchmark Transition Event, such actions as it considers expedient in order to prepare for applying the provisions of this Condition 4.4 (including, without limitation, appointing and consulting with an Independent Adviser, and seeking to identify any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes, as applicable), provided that no Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendments, Benchmark Replacement and/or Benchmark Replacement Conforming Changes will take effect until the relevant Benchmark Event, or the relevant Benchmark Transition Event and its related Benchmark Replacement Date, as applicable, has occurred.

4.5 Interest Accrual

Interest (if any) will cease to accrue on each Note on, but excluding, the due date for redemption thereof unless payment of principal is improperly withheld or refused in which event interest will continue to accrue as provided in the Trust Deed.

4.6 Day Count Fractions

In this Condition 4:

Day Count Fraction means, in respect of the calculation of an amount for any period of time (whether or not constituting an Interest Period or an Interest Accrual Period) (the **Calculation Period**) in accordance with the applicable Final Terms for any Fixed Rate Note, Reset Note, or Floating Rate Note, as applicable:

- (A) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period commencing on the last Fixed Interest Date on which interest was paid (or, if none, the Interest Commencement Date), the sum of:
 - I. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
 - II. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year;
- (B) if **Actual/Actual (ISDA)** or **Actual/Actual** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (C) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (D) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (E) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (F) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (G) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

- (H) if **30E/360 (ISDA)** is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

and if no Day Count Fraction for Fixed Rate Notes or Reset Notes is specified in the applicable Final Terms, then the Day Count Fraction for such Notes shall be **Actual/Actual (ICMA)** for Notes other than those denominated or payable in U.S. Dollars and **30/360** for Notes denominated or payable in U.S. Dollars;

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

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

5. Redemption, Purchase, Substitution and Variation

5.1 Final redemption

Unless previously redeemed, purchased and cancelled or substituted and cancelled as provided below, each Note will be redeemed at its Final Redemption Amount specified in the applicable Final Terms, in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

5.2 Redemption following a Tax Event

If the Issuer at any time satisfies the Trustee immediately prior to the giving of the notice referred to below that a Tax Event has occurred and that the Issuer cannot avoid the foregoing by taking reasonable measures available to it, then the Issuer may in its sole discretion (but subject, if this Note is a Subordinated Note, to compliance with Condition 5.12 or, if this Note is a Senior Non-Preferred Note, to compliance with Condition 5.13), having given not less than 15 nor more than 30 days' notice to the Trustee, the Agent and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all, but not some only, of the Notes at their Early Redemption Amount referred to in Condition 5.9 below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of early redemption pursuant to this Condition 5.2, the Issuer shall deliver to the Trustee a certificate signed by any two authorised signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem has been satisfied. The Trustee shall be entitled, without liability to any person, to accept and rely on such certificate without any further inquiry as sufficient evidence of the satisfaction of the relevant requirement or circumstance, in which event it shall be conclusive and binding on the Trustee and the Noteholders and Couponholders.

A **Tax Event** will be deemed to have occurred if, as a result of a Tax Law Change:

- (i) in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay additional amounts as provided under Condition 9; or
- (ii) any payment in respect of the Notes would be a “distribution” or would otherwise not be deductible (in whole, or to a material extent) for United Kingdom tax purposes (or the deduction would be materially deferred); or
- (iii) (if this Note is a Subordinated Note or a Senior Non-Preferred Note only) the Issuer is not, or will not be, able to have losses or deductions set against any profits or gains, or profits or gains offset by any losses or deductions, of companies with which it is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the Issue Date of the latest Tranche of the Notes or any similar system or systems having like effect as may from time to time exist); or
- (iv) (if this Note is a Subordinated Note or a Senior Non-Preferred Note only) the Notes are or will be prevented from being treated as loan relationships for United Kingdom tax purposes; or
- (v) (if this Note is a Subordinated Note or a Senior Non-Preferred Note only) a future conversion into equity or write-down of the principal amount of the Notes would result in a United Kingdom tax liability, or the receipt of income or profit which would be subject to United Kingdom tax; or
- (vi) (if this Note is a Subordinated Note only) the Notes or any part thereof will or would become treated as a derivative or an embedded derivative for United Kingdom tax purposes; or
- (vii) (if this Note is a Senior Preferred Note only) on the next payment due in respect of the Notes, the Issuer would be required to account to any taxing authority in the United Kingdom for any amount (other than any tax withheld or deducted from interest payable on the Notes) calculated by reference to any amount payable in respect of the Notes.

As used herein, **Tax Law Change** means any change in, or amendment to, the laws or regulations of the United Kingdom (including any treaty to which it is a party) or any political subdivision or any authority thereof or therein having power to tax, or any change in the official interpretation thereof by the relevant tax authority or in the application of such laws or regulations by a decision of any court or tribunal that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions or any pronouncement of a tax authority in the United Kingdom, which change or amendment becomes effective or, in the case of a change in law, if such change is enacted by a United Kingdom Act of Parliament or by Statutory Instrument, on or after the Issue Date of the latest Tranche of the Notes.

5.3 Redemption following a Regulatory Event

This Condition 5.3 applies only if this Note is a Subordinated Note.

If a Regulatory Event has occurred, then the Issuer may in its sole discretion, but subject to compliance with Condition 5.12, and having given not less than 15 nor more than 30 days’ notice to the Trustee, the Agent and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all, but not some only, of the Notes at their Early Redemption Amount referred to in Condition 5.9 below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of early redemption pursuant to this Condition 5.3, the Issuer shall deliver to the Trustee a certificate signed by any two authorised signatories of the Issuer confirming that a Regulatory Event

has occurred. The Trustee shall be entitled, without liability to any person, to accept and rely on such certificate without any further inquiry as sufficient evidence of the satisfaction of such occurrence, in which event it shall be conclusive and binding on the Trustee and the Noteholders and Couponholders.

A **Regulatory Event** is deemed to have occurred in respect of the Notes if there is a change (or pending change) in the regulatory classification of the Notes which becomes (or will become) effective after the Issue Date of the latest Tranche of the Notes and that results, or would be likely to result, in:

- (i) if “*Regulatory Event (Subordinated Notes only): Full Exclusion*” is specified in the applicable Final Terms, the entire nominal amount of the Notes being excluded from the Tier 2 Capital of the Issuer (whether on an individual (including individual consolidated) or consolidated basis); or
- (ii) if “*Regulatory Event (Subordinated Notes only): Full or Partial Exclusion*” is specified in the applicable Final Terms, the entire nominal amount of the Notes or any part thereof being excluded from the Tier 2 Capital of the Issuer (whether on an individual (including individual consolidated) or consolidated basis) (but, for the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the UK CRR (or any equivalent or successor provision) shall not comprise a Regulatory Event).

UK CRR means Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013 (as amended) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended or replaced from time to time).

5.4 Redemption following a Loss Absorption Disqualification Event

This Condition 5.4 applies if this Note is a Senior Non-Preferred Note, unless “*Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption*” is expressly specified to be “Not Applicable” in the applicable Final Terms.

If a Loss Absorption Disqualification Event has occurred, then the Issuer may in its sole discretion, but subject to compliance with Condition 5.13, and having given not less than 15 nor more than 30 days’ notice to the Trustee, the Agent and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note) all, but not some only, of the Notes at their Early Redemption Amount referred to in Condition 5.9 below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

Prior to the publication of any notice of early redemption pursuant to this Condition 5.4, the Issuer shall deliver to the Trustee a certificate signed by any two authorised signatories of the Issuer confirming that a Loss Absorption Disqualification Event has occurred. The Trustee shall be entitled, without liability to any person, to accept and rely on such certificate without any further inquiry as sufficient evidence of the satisfaction of such occurrence, in which event it shall be conclusive and binding on the Trustee and the Noteholders and Couponholders.

A **Loss Absorption Disqualification Event** shall be deemed to have occurred in respect of the Notes if, as a result of any amendment to, or change (or pending change) in, any Loss Absorption Regulations, or any change (or pending change) in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective (or that will become effective) after the Issue Date of the latest Tranche of the Notes, either:

- (i) if “*Loss Absorption Disqualification Event: Full Exclusion*” is specified in the applicable Final Terms, the entire nominal amount of the Notes; or
- (ii) if “*Loss Absorption Disqualification Event: Full or Partial Exclusion*” is specified in the applicable Final Terms, the entire nominal amount of the Notes or any part thereof,

is or (in the opinion of the Issuer or the relevant Supervisory Authority) is likely to be excluded from the Issuer's minimum requirements (whether on an individual (including individual consolidated) or consolidated basis) for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments, in each case as such minimum requirements are applicable to the Issuer (whether on an individual (including individual consolidated) or consolidated basis) and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that a Loss Absorption Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer on the Issue Date of the latest Tranche of the Notes.

As used herein, **Loss Absorption Regulations** means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the United Kingdom (including, without limitation, any provision of the Insolvency Act or any other Ranking Legislation which relates to the requisite features of Secondary Non-Preferential Debts), any relevant Supervisory Authority then in effect in the United Kingdom and applicable to the Issuer (whether on an individual (including individual consolidated) or consolidated basis) including, without limitation to the generality of the foregoing, any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by any relevant Supervisory Authority from time to time (whether such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer).

5.5 Redemption at the option of the Issuer

If so specified in the applicable Final Terms, the Issuer may in its sole discretion (but subject, if this Note is a Subordinated Note, to compliance with Condition 5.12 or, if this Note is a Senior Non-Preferred Note, to compliance with Condition 5.13) having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, to the Noteholders in accordance with Condition 18 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) as specified in the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice the Issuer shall be bound to redeem the Notes accordingly.

In the event of a redemption of some only of the Notes, such redemption must be for an amount being the Minimum Redemption Amount or a Higher Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 35 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 18 not less than the minimum period specified in the applicable Final Terms, prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5.5 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 at least 15 days prior to the Selection Date.

5.6 Clean-up Call

This Condition 5.6 shall apply if "*Clean-up Call*" is specified to be applicable in the applicable Final Terms.

If, at any time, a Clean-up Call Event (as defined below) has occurred with respect to the Notes, the Issuer may in its sole discretion (but subject, if this Note is a Subordinated Note, to compliance with Condition 5.12 or, if this Note

is a Senior Non-Preferred Note, to compliance with Condition 5.13) having given not less than 15 nor more than 30 days' notice to the Noteholders (or such other notice period as may be specified in the applicable Final Terms) in accordance with Condition 18 (which notice shall be irrevocable and shall specify the date fixed for redemption or purchase, as the case may be), redeem (or, at its option, purchase or procure the purchase of), at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), all, but not some only, of the remaining Notes then outstanding at their Clean-up Call Redemption Amount (as specified in the applicable Final Terms) together, if applicable, with interest accrued (or, in the case of a purchase, an amount equal to interest accrued) up to (but excluding) the date fixed for redemption or purchase (as applicable). Upon the expiry of such notice, the Issuer shall be bound to redeem or, as the case may be, purchase or procure the purchase of the Notes accordingly.

Prior to the publication of any notice of redemption pursuant to this Condition 5.6, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that a Clean-up Call Event has occurred. The Trustee shall be entitled, without liability to any person, to accept and rely on such certificate without any further inquiry as sufficient evidence of such occurrence, in which event it shall be conclusive and binding on the Trustee, the Noteholders and the Couponholders.

For the purpose of these Terms and Conditions, a **Clean-up Call Event** shall be deemed to occur in respect of the Notes if the Issuer has redeemed or purchased (or otherwise acquired) and cancelled Notes in an aggregate principal amount equal to or in excess of the Clean-up Call Threshold percentage specified in the applicable Final Terms (or, if no such threshold is so specified, 75 per cent.) of the principal amount of the Notes originally issued (and, for this purpose, any further Notes issued pursuant to Condition 15 and consolidated and forming a single Series with the Notes shall be deemed to have been originally issued).

5.7 Redemption at the option of the Noteholders

This Condition 5.7 does not apply if this Note is a Subordinated Note.

If and to the extent specified in the applicable Final Terms, upon the holder of this Note giving to the Issuer, in accordance with Condition 18, not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem in whole (but not in part) such Note on the relevant Optional Redemption Date and at the relevant Optional Redemption Amount as specified in the applicable Final Terms, together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note, on any Business Day (as defined in Condition 4.2(a)) falling within the notice period at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

5.8 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5.1, 5.2, 5.3, 5.4, 5.5 or 5.6 above or upon its becoming due and repayable as provided in Condition 10 or Condition 11 (as applicable) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5.9 below as though the references therein to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

- (b) the date on which the full amount of the moneys payable has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders either in accordance with Condition 18 or individually.

5.9 Early Redemption Amounts

For the purposes of Conditions 5.2, 5.3 and 5.4 above and Condition 10 (if this Note is a Senior Preferred Note) or Condition 11 (if this Note is a Senior Non-Preferred Note or a Subordinated Note), each Note will be redeemed at an amount (the **Early Redemption Amount**) calculated as follows:

- (a) (in the case of Notes other than Zero Coupon Notes) at the amount specified in the applicable Final Terms, or, if no such amount is so set out:
 - (i) in the case of Fixed Rate Notes or Reset Notes, at an amount determined by the Calculation Agent (in its absolute discretion) whereby such amount payable by the Issuer in respect of principal and interest (if any) accrued to (but excluding) the date of such early redemption of each Note shall, taking into account any accrued interest payable on such early redemption, have the effect of preserving for the holder of that Note the economic equivalent of the obligations of the Issuer to pay (A) the Final Redemption Amount specified in the applicable Final Terms, which would, but for such early redemption, have been payable on the Maturity Date and (B) the interest (if any) in respect of that Note on such date(s) and in such amount(s) determined in accordance with Condition 4 above and specified in the applicable Final Terms, which would, but for such redemption, have been payable up to (and including) the Maturity Date; or
 - (ii) in the case of Floating Rate Notes, at an amount equal to the nominal amount of each Note; or
- (b) in the case of Zero Coupon Notes, at its Early Redemption Amount, equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable as is provided in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360 day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (A) the number of those days falling in a leap year divided by 366 and (B) the number of those days falling in a non-leap year divided by 365).

5.10 Purchases

The Issuer or any of its Subsidiaries (as defined in the Trust Deed) may (subject, if this Note is a Subordinated Note, to compliance with Condition 5.12 and prevailing Regulatory Capital Requirements or, if this Note is a Senior Non-Preferred Note, to compliance with Condition 5.13 and prevailing Loss Absorption Regulations) at any time purchase or otherwise acquire Notes (provided that, in the case of definitive Notes, all unmatured Coupons appertaining thereto are attached thereto or surrendered therewith) in any manner and at any price. Notes purchased by the Issuer or any of its Subsidiaries may, at the option of the Issuer or such Subsidiary, be held, reissued, resold or surrendered for cancellation.

5.11 Cancellation

All Notes which are (a) redeemed in full or (b) purchased or otherwise acquired by or on behalf of the Issuer or any Subsidiary of the Issuer and surrendered for cancellation, will forthwith be cancelled (together with, in the case of definitive Notes, all unmatured Coupons attached thereto or surrendered therewith) and such Notes may not be reissued or resold.

5.12 Preconditions to Redemption, Purchase, Substitution or Variation of Subordinated Notes

This Condition 5.12 applies only if this Note is a Subordinated Note.

Any redemption, purchase, substitution or variation of the Notes in accordance with Conditions 5.2, 5.3, 5.5, 5.6, 5.10 or 5.14 is subject to:

- (a) the Issuer having obtained Relevant Supervisory Consent therefor;
- (b) in the case of a redemption or purchase, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that either: (A) the Issuer has (or before or at the same time as the relevant redemption or purchase will have) replaced the relevant Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum requirements (including any buffer requirements) by a margin that the relevant Supervisory Authority considers necessary at such time; and
- (c) in the case of any redemption or purchase prior to the fifth anniversary of the Issue Date of the latest Tranche of the Notes:
 - (A) in the case of redemption upon a Tax Event, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the change in tax treatment is material and was not reasonably foreseeable as at the Issue Date of such latest Tranche;
 - (B) in the case of redemption upon the occurrence of a Regulatory Event, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the relevant change or pending change in the regulatory classification of the Notes is sufficiently certain and was not reasonably foreseeable as at the Issue Date of such latest Tranche;
 - (C) in the case of a purchase pursuant to Condition 5.10, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that the Issuer has (or before or at the same time as the relevant purchase will have) replaced the relevant Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the relevant Supervisory Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

- (D) in the case of a purchase pursuant to Condition 5.10 (and subject to the Issuer or the relevant Subsidiary then being permitted to conduct market-making activity under the Act), the relevant Notes being purchased for market-making purposes in accordance with the prevailing Regulatory Capital Requirements.

Notwithstanding the foregoing, if, at the time of any redemption, purchase, substitution or variation of the Notes, the prevailing Regulatory Capital Requirements permit such redemption, purchase, substitution or, as the case may be, variation only after compliance with one or more additional or alternative preconditions to those set out above in this Condition 5.12, the Issuer shall comply (in addition or in the alternative, as the case may be) with such additional and/or alternative precondition(s).

In these Terms and Conditions, **Relevant Supervisory Consent** means, in relation to any action, such permission or waiver of the relevant Supervisory Authority (if any) as is then required for such action under prevailing Regulatory Capital Requirements and/or Loss Absorption Regulations, as the case may be.

5.13 Preconditions to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes

This Condition 5.13 applies only if this Note is a Senior Non-Preferred Note.

Any redemption, purchase, substitution or variation of the Notes in accordance with Conditions 5.2, 5.4, 5.5, 5.6, 5.10 or 5.14 is subject to:

- (a) the Issuer having obtained Relevant Supervisory Consent therefor; and
- (b) compliance with any other pre-conditions to, or requirements applicable to, such redemption, purchase, substitution or variation as may be required by the relevant Supervisory Authority or the Loss Absorption Regulations at such time, including, in the case of a redemption or purchase and to the extent then so required, the Issuer having demonstrated to the satisfaction of the relevant Supervisory Authority that:
 - (A) it has (or before or at the same time as the relevant redemption or purchase will have) replaced the relevant Notes with own funds or eligible liabilities instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
 - (B) the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum requirements for own funds and eligible liabilities by a margin that the relevant Supervisory Authority considers necessary at such time; or
 - (C) the partial or full replacement of the relevant Notes with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the prevailing Regulatory Capital Requirements for continuing authorisation.

5.14 Substitution and Variation of Subordinated Notes and Senior Non-Preferred Notes

This Condition 5.14 applies to this Note if this Note is a:

- (1) Subordinated Note; or
- (2) Senior Non-Preferred Note unless “*Senior Non-Preferred Notes: Substitution and Variation*” is expressly specified to be “Not Applicable” in the applicable Final Terms.

Upon the occurrence of a Tax Event or (if this Note is a Subordinated Note) a Regulatory Event or (if this Note is a Senior Non-Preferred Note) a Loss Absorption Disqualification Event (as applicable) in respect of the Notes, the Issuer in its sole discretion (but subject, if this Note is a Subordinated Note, to compliance with Condition 5.12 or,

if this Note is a Senior Non-Preferred Note, to compliance with Condition 5.13), having given notice of not more than 30 days nor less than 15 days prior to the date of substitution or variation (as the case may be) to the Trustee and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for substitution or variation, as applicable) may, without any requirement for the consent or approval of the Noteholders or Couponholders, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Compliant Notes. Upon the expiry of the notice referred to above, the Issuer shall either substitute or, as the case may be, vary the terms of the Notes and, subject as set out below, the Trustee shall agree to such substitution or variation.

In connection with any substitution or variation in accordance with this Condition 5.14, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any substitution or variation of the Notes in accordance with this Condition 5.14 is subject to the following conditions:

- (a) the Issuer complying with (if this Note is a Subordinated Note) Condition 5.12 or (if this Note is a Senior Non-Preferred Note) Condition 5.13;
- (b) such substitution or variation not resulting in any event or circumstance which at or around that time gives the Issuer a redemption right in respect of the resulting Compliant Notes; and
- (c) prior to the publication of any notice of substitution or variation, the Issuer having delivered to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Loss Absorption Disqualification Event, Tax Event or Regulatory Event, as applicable, giving rise to the right to substitute or vary the Notes has occurred as at the date of the certificate and that the conditions set out in (a) and (b) immediately above have been satisfied, and the Trustee shall be entitled to accept and rely on such certificate without liability to any person and without any further inquiry as sufficient evidence thereof, in which event it shall be conclusive and binding on the Trustee and all Noteholders and Couponholders.

The Trustee shall, subject to the Issuer's compliance with the foregoing conditions and the provision of the certificate signed by two authorised signatories of the Issuer as referred to in the definition of Compliant Notes, and at the expense and cost of the Issuer, use reasonable endeavours to assist the Issuer in any substitution or variation of the Notes in accordance with this Condition 5.14, except that the Trustee shall not be obliged to assist in any such substitution or variation if either such substitution or variation itself or the terms of the proposed Compliant Notes would, in the Trustee's opinion, impose more onerous obligations upon it or expose the Trustee to any additional duties, responsibilities or liabilities in any material respect or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any material respect.

In connection with any such substitution or variation, the Trustee may rely without liability to any Noteholders or Couponholders on a report, confirmation, certificate or any advice of any accountants, financial advisers, financial institutions or any other experts, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate or advice and such report, confirmation, certificate or advice shall be binding on the Trustee and the Noteholders and Couponholders.

In these Terms and Conditions:

EEA regulated market means a market as defined by Article 4.1(21) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended;

Compliant Notes means securities that comply with the following (which compliance has been certified to the Trustee in a certificate signed by two authorised signatories of the Issuer and delivered to the Trustee prior to the relevant substitution or variation):

1. in the case of Senior Non-Preferred Notes;
 - (a) such securities are issued by the Issuer or any wholly-owned direct or indirect subsidiary of the Issuer with a guarantee of such obligations by the Issuer;
 - (b) such securities and any relative coupons rank (or, if guaranteed by the Issuer, benefit from a guarantee that ranks) as part of the class of Secondary Non-Preferential Debts;
 - (c) (subject to (b) above) such securities have terms not materially less favourable to Noteholders and Couponholders than the terms of the Notes and relative Coupons (as reasonably determined by the Issuer in consultation with an independent adviser of recognised standing);
 - (d) (without prejudice to (c) above) such securities (1) contain terms such that they comply with the then applicable Loss Absorption Regulations in order to be eligible to qualify in full towards the Issuer's minimum requirements (on an individual (including individual consolidated) or consolidated basis) for own funds and eligible liabilities and/or loss absorbing capacity instruments; (2) bear the same rate of interest from time to time applying to the Notes and preserve the same interest payment dates; (3) do not contain terms providing for deferral of payments of interest and/or principal; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) do not contain terms providing for loss absorption through principal write-down or conversion to common equity tier 1 instruments (but without prejudice to any acknowledgement of statutory resolution powers similar to the provisions of Condition 21); and (6) preserve any existing rights to any accrued and unpaid interest and any other amounts payable under the Notes and relative Coupons which has accrued to Noteholders or Couponholders and not been paid;
 - (e) such securities are listed on the same stock exchange or market as the Notes or the London Stock Exchange or any other United Kingdom or EEA regulated market or any market in an Organisation for Economic Co-operation and Development (OECD) member state selected by the Issuer; and
 - (f) where the Notes which have been substituted or varied had a published rating solicited by the Issuer from one or more Rating Agencies immediately prior to their substitution or variation, such securities benefit from (or will, as announced, or otherwise confirmed in writing, by each such relevant Rating Agency, benefit from) an equal or higher published rating from each such Rating Agency as that which applied to the Notes (unless any downgrade is solely attributable to the ranking of the securities under (b) above); and
2. in the case of Subordinated Notes:
 - (a) such securities are issued by the Issuer or any wholly-owned direct or indirect subsidiary of the Issuer with a guarantee of such obligations by the Issuer;
 - (b) such securities and any relative coupons rank (or, if guaranteed by the Issuer, benefit from a guarantee that ranks) equally with the ranking of Subordinated Notes;
 - (c) (subject to (b) above) such securities have terms not materially less favourable to Noteholders and Couponholders than the terms of the Notes and relative Coupons (as reasonably determined by the Issuer in consultation with an independent adviser of recognised standing);

- (d) (without prejudice to (c) above) such securities (1) contain terms such that they comply with the then applicable Regulatory Capital Requirements in relation to Tier 2 Capital; (2) bear the same rate of interest from time to time applying to the Notes and preserve the same interest payment dates; (3) do not contain terms providing for deferral of payments of interest and/or principal; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) do not contain terms providing for loss absorption through principal write-down or conversion to common equity tier 1 instruments (but without prejudice to any acknowledgement of statutory resolution powers similar to the provisions of Condition 21); and (6) preserve any existing rights to any accrued and unpaid interest and any other amounts payable under the Notes and relative Coupons which has accrued to Noteholders or Couponholders and not been paid;
- (e) such securities are listed on the same stock exchange or market as the Notes or the London Stock Exchange or any other United Kingdom or EEA regulated market or any market in an Organisation for Economic Co-operation and Development (OECD) member state selected by the Issuer; and
- (f) where the Notes which have been substituted or varied had a published rating solicited by the Issuer from one or more Rating Agencies immediately prior to their substitution or variation, such securities benefit from (or will, as announced, or otherwise confirmed in writing, by each such relevant Rating Agency, benefit from) an equal or higher published rating from each such Rating Agency as that which applied to the Notes (unless any downgrade is solely attributable to the ranking of the securities under (b) above); and

Rating Agency means any of S&P Global Ratings UK Limited, Moody's Investors Service Limited and Fitch Ratings Ltd. and each of their respective affiliates or successors.

6. Payments

6.1 Method of Payment

Subject as provided below:

- (a) payments in a currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.2 Presentation of Notes and Coupons

Subject as provided below, payments of principal and interest (if any) in respect of definitive Notes (if issued) will be made against presentation and surrender of definitive Notes or Coupons, as the case may be, at any specified office of any Paying Agent.

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note, at the specified office of any Paying Agent. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Global Note (or the Trustee, as the case may be). No person other than the holder of the relevant Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer in respect of any payments due on that Global Note.

Notwithstanding the foregoing:

- (a) the Issuer reserves the right to require Couponholders who do not make a declaration (such declaration being to the satisfaction of HM Revenue and Customs (**HMRC**)) that they are not resident in the United Kingdom to present their Coupons at a specified office of a Paying Agent situated outside the United Kingdom if the Issuer would otherwise be obliged to account to any taxing authority in the United Kingdom for any amount in respect of income tax (other than any tax withheld or deducted from interest payable on the Notes) calculated by reference to the interest represented by the relevant Coupon; and
- (b) payments of interest in U.S. Dollars will only be made at the specified office of any Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia and its possessions)) (i) if (A) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of interest on the Notes in the manner provided above when due, (B) payment of the full amount of such interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (C) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer and (ii) at the option of the relevant holder if such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons).

If a Fixed Rate Note (other than a Subordinated Note or a Senior Non-Preferred Note) is presented without all unmatured Coupons relating thereto, then:

- (a) if the aggregate amount of the missing Coupons is greater than the nominal amount of such Note, such amount of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the **Relevant Coupons**) being equal to the nominal amount of such Note; provided that, where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
- (b) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the nominal amount of such Note) will be deducted from the amount of principal due for payment; provided that, if the gross amount available for payment is less than the nominal amount of such Note, the sum deducted will be that proportion of the

aggregate amount of the Relevant Coupons (or, as the case may be, the nominal amount of such Note) which the gross amount actually available for payment bears to the nominal amount of such Note.

Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Note, Reset Note or Subordinated Note or Senior Non-Preferred Note which is also a Fixed Rate Note in definitive form, all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

6.3 Payment Day

If any date for payment of any amount in respect of any Note or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay.

In this Condition, **Payment Day** means:

- (a) a day on which commercial banks settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) each Additional Financial Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and
- (c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the T2 is open.

If the due date for redemption of any interest bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such interest bearing Note from (and including) the last preceding due date for the payment of interest (or from (and including) the Interest Commencement Date, as the case may be) will be paid only against surrender of such interest bearing Note.

6.4 Interpretation of Principal and Interest

Any reference in these Terms and Conditions to “**principal**” in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;

- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Clean-up Call Redemption Amount (if applicable) of the Notes; and
- (f) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to “**interest**” in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

7. Exchange of Talons

On and after the Interest Payment Date or the Fixed Interest Date (as appropriate) on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12.

8. Agent and Paying Agents

The name of the initial Agent and its initial specified office are set out below. If any additional Paying Agents are appointed in connection with the Notes, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Agent, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Accrual Period, the Issuer shall appoint the London office of such other bank as may be approved by the Trustee to act as such in its place. The Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

The Issuer may, with the prior approval of the Trustee, vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts provided that the Issuer will, so long as any of the Notes is outstanding, maintain:

- (a) a Paying Agent (which may be the Agent) having a specified office in London or in another city approved by the Trustee in Europe; and
- (b) so long as any of the Notes have been admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a Paying Agent (which may be the Agent) having a specified office in each location required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in subparagraph (b) of the fourth paragraph of Condition 6.2.

Notice of any such variation, termination, appointment or change will be given by the Issuer to the Noteholders in accordance with Condition 18.

9. Taxation

All payments of principal and interest (if any) in respect of the Notes and Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, or levied by or on behalf of the United Kingdom or any political subdivision thereof or by or on behalf of any authority thereof or therein having power to tax, unless the withholding or deduction for, or on account of, such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will:

- (i) if this Note is a Senior Preferred Note, in respect of payments of interest (if any) and principal; or
- (ii) if this Note is a Subordinated Note or a Senior Non-Preferred Note, in respect of payments of interest (if any) only,

pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders or, as the case may be, Couponholders after such withholding or deduction shall equal the respective amounts of (in the case of Notes falling within (i) above only) principal and (in the case of any Notes) interest (if any) which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of such withholding or deduction; except that no such additional amount shall be payable in respect of any Note or Coupon:

- (a) to a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (b) presented for payment in the United Kingdom if, at the time of such presentation, the Issuer is maintaining a Paying Agent in respect of the Note or Coupon outside of the United Kingdom; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.3); or
- (d) to a holder who is able to avoid such withholding or deduction by presenting an appropriate certificate, declaration of non-residence or similar claim for exemption.

Notwithstanding any other provision of these Terms and Conditions, in no event will additional amounts be payable by (or on behalf of) the Issuer under this Condition 9 or otherwise in respect of any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof or any law implementing such an intergovernmental agreement.

As used herein, the **Relevant Date** means the date on which the relevant payment in respect of the Note or Coupon first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent or the Trustee on or prior to such due date, the **Relevant Date** means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Noteholders in accordance with Condition 18.

For the avoidance of doubt, if this Note is a Subordinated Note or a Senior Non-Preferred Note, the Issuer will not pay any additional amounts under this Condition 9 in respect of principal of this Note.

10. Events of Default and enforcement - Senior Preferred Notes

This Condition 10 applies only if this Note is a Senior Preferred Note, and references in this Condition 10 to “Notes” shall be construed accordingly.

10.1 The Trustee at its discretion may, and if so requested in writing by the holders of at least one quarter of the nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction (but, in the case of the happening of any of the events mentioned in subparagraphs (b), (c) and (d) below in relation to the Issuer or any Principal Subsidiary (as defined below) or, in the case of the happening of any of the events mentioned in subparagraphs (e) and (f) below in relation to a Principal Subsidiary, only if the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall immediately become, due and repayable as set out below, if any of the following events shall occur and be continuing:

- (a) the Issuer fails to pay any principal or interest in respect of the Notes within seven days of the due date; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes or the Trust Deed which default is incapable of remedy or which, if capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice requiring remedy of such default shall have been given to the Issuer by the Trustee; or
- (c)
 - (i) any other present or future indebtedness in respect of moneys borrowed or raised in an amount of £40,000,000 or more (or its equivalent in any other currency) of the Issuer or any Principal Subsidiary becomes due and payable prior to its stated maturity pursuant to a default; or
 - (ii) any such indebtedness is not paid when due or (as the case may be) within any applicable grace period therefor; or
 - (iii) the Issuer or any Principal Subsidiary fails to pay when due or (as the case may be) within any applicable grace period therefor any amount payable by it under any present or future guarantee in an amount of £40,000,000 or more (or its equivalent in any other currency) (other than any guarantee given in the ordinary course of its business) for any indebtedness in respect of moneys borrowed or raised; or
 - (iv) any mortgage, charge, pledge, lien or other encumbrance present or future securing an amount of £40,000,000 or more (or its equivalent in any other currency) and created or assumed by the Issuer or any Principal Subsidiary becomes enforceable and the holder thereof takes any steps to enforce the same; or
- (d) a distress or execution or other similar legal process in respect of a claim for £20,000,000 or more is levied or enforced or sued out upon or against any part of the property, assets or revenues of the Issuer or any Principal Subsidiary and is not discharged or stayed within 30 days of having been so levied, enforced or sued out; or
- (e) the Issuer or any Principal Subsidiary becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of a liquidator or trustee or receiver or administrator or similar officer of itself or the whole or any substantial part of its undertaking, property, assets or revenues or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement

or composition with or for the benefit of its creditors or ceases or threatens to cease to carry on all or substantially all of its business except in any case:

- (i) in connection with a Permitted Reorganisation or other substitution pursuant to Condition 14; or
 - (ii) for the purpose of a reconstruction, union, transfer, merger or amalgamation effected with the prior written consent of the Trustee or with the approval (by way of Extraordinary Resolution) of the Noteholders; or
 - (iii) (in the case of a Principal Subsidiary) where all or the major part of the business, undertaking and assets of such Principal Subsidiary is either (A) transferred to the Issuer and/or one or more Subsidiaries of the Issuer or (B) sold to one or more third party purchasers on arm's length terms; or
- (f) an order is made or an effective resolution is passed for the winding up or dissolution of the Issuer or any Principal Subsidiary or the authorisation or registration of the Issuer is or is proposed to be cancelled, suspended or revoked or anything analogous or similar to any of the foregoing occurs, except in any case:
- (i) in connection with a Permitted Reorganisation or other substitution pursuant to Condition 14; or
 - (ii) for the purposes of a reconstruction, union, transfer, merger or amalgamation effected with the consent of the Trustee or with the approval (by way of Extraordinary Resolution) of the Noteholders; or
 - (iii) (in the case of a Principal Subsidiary) where all or the major part of the business, undertaking and assets of such Principal Subsidiary is either (A) transferred to the Issuer and/or one or more Subsidiaries of the Issuer or (B) sold to one or more third party purchasers on arm's length terms.

Principal Subsidiary means a Subsidiary of the Issuer whose total assets (attributable to the Issuer) represent 10 per cent. or more of the consolidated total assets of the Issuer and its Subsidiaries (all as more particularly described in the Trust Deed). A certificate signed by two Authorised Signatories (as defined in the Trust Deed) that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further inquiry or evidence and, if so relied upon, shall, in the absence of manifest or proven error, be conclusive and binding on all parties.

- 10.2 If the Notes become due and repayable pursuant to this Condition 10, they shall be repayable at the Early Redemption Amount together (where applicable) with accrued interest as provided in the Trust Deed.
- 10.3 At any time after the Notes become due and repayable the Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, but it shall not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- 10.4 No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound to proceed, (i) fails to do so, or (ii) is unable for any reason to do so, in each case for a reasonable period, and such failure or inability is continuing.

11. Events of Default and enforcement – Senior Non-Preferred Notes and Subordinated Notes

This Condition 11 applies only if this Note is a Senior Non-Preferred Note or a Subordinated Note, and references in this Condition 11 to “Notes” shall be construed accordingly.

- 11.1 *Non-payment when due:* If default is made for a period of seven days or more in the payment of any principal due on the Notes or any of them or for a period of 14 days or more in the payment of any interest due on the Notes or any of them, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter of the nominal amount of Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), institute proceedings for the winding up of the Issuer in England (but not elsewhere) to enforce the obligations of the Issuer in respect of the Notes and the Trust Deed in so far as it relates to the Notes, but may take no other action in respect of such default (except as provided in Condition 11.2).
- 11.2 *Winding up or dissolution:* In the event of a winding up or dissolution of the Issuer (subject as otherwise provided in an Excluded Dissolution), whether or not instituted by the Trustee pursuant to Condition 11.1, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter of the nominal amount of Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer (or the relevant official presiding over such winding up or dissolution) that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount together (if applicable) with accrued interest as provided in the Trust Deed, and shall claim and/or prove in such winding up or dissolution in respect of the Notes (such claim ranking as provided in Condition 2.2 or Condition 2.3, as applicable).
- 11.3 *Enforcement:* Without prejudice to Conditions 11.1 and 11.2, the Trustee may at its discretion and without notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Terms and Conditions and the Trust Deed, nor will the Trustee accept the same, otherwise than during or after a winding up or dissolution of the Issuer.
- 11.4 *Rights of holders:* No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails to do so, or (ii) is unable for any reason to do so, in each case for a reasonable period, and such failure or inability is continuing, in which case any such holder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No such holder shall be entitled to institute proceedings for the winding up of the Issuer, or to prove in any winding up or dissolution of the Issuer, except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or is unable for any reason to do so, or, being able to prove in any winding up or dissolution of the Issuer, fails to do so, in any such case for a reasonable period, and such failure or inability is continuing, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute proceedings for the winding up in England (but not elsewhere) of the Issuer and/or prove in any winding up or dissolution of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of such Notes and/or Coupons held by him.
- 11.5 *Extent of remedy:* No remedy against the Issuer, other than the institution of proceedings for the winding up in England of the Issuer and/or the proving or claiming in any winding up or dissolution of the Issuer, shall be available to the Trustee, the Noteholders or the Couponholders for the recovery of amounts owing in

respect of such Notes or the relative Coupons or under the Trust Deed in so far as it relates to the Notes or the relative Coupons.

- 11.6 *Rights of the Trustee:* The Trustee may at its discretion institute such proceedings as are contemplated by this Condition 11 against the Issuer to enforce the obligations of the Issuer under the Trust Deed in so far as it relates to the Notes or the relative Coupons, but it shall not be bound to institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Notes or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

12. Prescription

Claims for payment of principal in respect of the Notes shall become void upon the expiry of ten years, and claims for payment of interest (if any) in respect of the Notes shall become void upon the expiry of five years, in each case from the Relevant Date therefor, subject to the provisions of Condition 6.

13. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of Noteholders (or, as the case may be, the holders of Notes of more than one Series) (including at a physical location or by means of any electronic platform (such as conference call or videoconference) or a combination of such methods) to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Trust Deed. Any such meeting may be held as physical meeting or may instead be held by way of audio or video conference call.

The quorum at any such meeting to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes for the time being outstanding so held or represented, except that at any meeting, the business of which includes the modification of certain of these Terms and Conditions or provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the nominal amount of the Notes for the time being outstanding.

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

The Trust Deed provides that the Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification (subject to certain exceptions) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or to any modification which is of a formal, minor or technical nature or which is made to correct a manifest error. In addition, the Trustee shall be obliged to concur with the Issuer in effecting (i) any Benchmark Amendments or Benchmark Replacement Conforming Changes in the circumstances and as otherwise set out in Condition 4.4 and (ii) (subject as provided in Condition 5.14) any substitution or variation of the Notes pursuant to and in accordance with Condition 5.14, in each case without the consent of the Noteholders or Couponholders. Any such modification, substitution, waiver or authorisation shall be

binding on the Noteholders and Couponholders and, unless otherwise agreed by the Trustee, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 18.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, 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 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

14. Substitution

14.1 Substitution in connection with a Permitted Reorganisation

- (a) In the event of a Permitted Reorganisation, the Successor Entity will be substituted in place of the Issuer as principal debtor under the Trust Deed, the Notes and any relative Coupons and, unless such substitution is effected automatically by operation of law, the Issuer and (subject as provided below) the Trustee shall enter into one or more trust deeds supplemental to the Trust Deed to give effect to and/or to reflect such substitution, provided that:
 - (i) prior to the entry into such trust deed(s) supplemental to the Trust Deed, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that (A) the substitution of the Successor Entity in place of the Issuer as principal debtor under the Trust Deed, the Notes and any relative Coupons is being made pursuant to a Permitted Reorganisation and specifying details of such Permitted Reorganisation and (B) the Successor Entity has obtained all necessary governmental and regulatory approvals and consents necessary for its assumption of the obligations and liability as principal debtor under the Trust Deed in respect of the Notes and Coupons and in respect of such Notes and Coupons themselves in place of the Issuer and that such approvals and consents are at the time of substitution in full force and effect (and the Trustee shall be entitled to accept and rely on such certificate without liability to any person and without any further inquiry as sufficient evidence thereof, in which event it shall be conclusive and binding on the Trustee and all Noteholders and Couponholders); and
 - (ii) the Trustee shall not be obliged to enter into such trust deed(s) supplemental to the Trust Deed if such substitution pursuant to a Permitted Reorganisation would, in the Trustee's opinion, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities in any material respect or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any material respect.
- (b) Save as expressly provided in Condition 14.1(c) below, a Permitted Reorganisation and any substitution of the Issuer in connection therewith shall be effected without the need or requirement for any consent or approval from the Trustee, the Noteholders or the Couponholders.
- (c) The Issuer has covenanted with the Trustee in the Trust Deed that it will not transfer its business to a successor in accordance with Section 97 of the Act or pursuant to an order made under section 3 of the Building Societies (Funding) and Mutual Societies (Transfers) Act 2007, as amended (the **2007 Act**) unless either (i) the Trustee is satisfied that the successor will be or (as the case may be) remain an authorised person under the FSMA or (ii) such transfer is approved by an Extraordinary Resolution of the Noteholders.

- (d) For the purposes of these Terms and Conditions:

Permitted Reorganisation means any of:

- (i) an amalgamation of the Issuer and one or more other building societies under section 93 of the Act (or any successor provision thereto);
- (ii) a transfer by the Issuer of all or substantially all of its engagements under section 94 of the Act (or any successor provision thereto);
- (iii) a transfer by the Issuer of the whole of its business to a company under sections 97 to 102D of the Act (or any successor provisions thereto);
- (iv) a transfer by the Issuer of the whole of its business to a subsidiary of a mutual society pursuant to any order made by HM Treasury under section 3 of the 2007 Act (or any successor provisions thereto); or
- (v) an alteration in the status of the Issuer by virtue of any statute or statutory provision which alters, or permits the alteration of, the status of building societies generally or building societies which meet specified criteria to another type of body authorised under the Financial Services and Markets Act 2000 as amended, consolidated or re-enacted from time to time (the **FSMA**) or to a body which is regulated on a similar basis to an authorised person under the FSMA; and

Successor Entity means:

- (i) (in respect of an amalgamation of the Issuer and one or more other building societies under section 93 of the Act (or any successor provision thereto)), the resulting building society;
- (ii) (in respect of a transfer by the Issuer of all or substantially all of its engagements under section 94 of the Act (or any successor provision thereto), a transfer by the Issuer of the whole of its business to a company under sections 97 to 102D of the Act (or any successor provisions thereto) or a transfer of the whole of its business to a subsidiary of a mutual society pursuant to any order made by HM Treasury under section 3 of the 2007 Act (or any successor provisions thereto)), the relevant transferee; or
- (iii) (in respect of an alteration in the status of the Issuer by virtue of any statute or statutory provision which alters, or permits the alteration of, the status of building societies generally or building societies which meet specified criteria to another type of body authorised under the FSMA or to a body which is regulated on a similar basis to an authorised person under the FSMA), the resulting authorised person under the FSMA or, as the case may be, the resulting body which is regulated on a similar basis to an authorised person under the FSMA.

14.2 Substitution other than in connection with a Permitted Reorganisation

In circumstances other than a Permitted Reorganisation, and subject as provided in the Trust Deed, the Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Noteholders, may agree, without the consent of the Noteholders or Couponholders, to the substitution of any successor in business of the Issuer or of a Subsidiary of the Issuer or any such successor in business in place of the Issuer as principal debtor under the Notes and the Trust Deed in respect of the Notes, provided (in case of the substitution of any company which is a Subsidiary of the Issuer or such successor in business) that the obligations of such Subsidiary in respect of the Notes and the Trust Deed in respect thereof shall be guaranteed by the Issuer or such successor in business in such form as the Trustee may require.

14.3 Additional provisions relating to Subordinated Notes and Senior Non-Preferred Notes

This Condition 14.3 applies only if this Note is a Subordinated Note or a Senior Non-Preferred Note, and references in this Condition 14.3 to Notes shall be construed accordingly.

The Issuer has covenanted with the Trustee in the Trust Deed that if it transfers its business to a company (the **Transferee Company**) within the meaning of section 1(1) of the Companies Act 2006 as amended (or any successor thereto or re-enactment thereof) pursuant to Section 97 of the Act or pursuant to an order made under section 3 of the 2007 Act, or to a body corporate which is incorporated in the Isle of Man or the Channel Islands pursuant to an order made under section 3 of the 2007 Act, then, upon such transfer becoming effective:

- (a) it will either deliver evidence reasonably satisfactory to the Trustee that the Transferee Company is an authorised person for the purposes of the FSMA or, if such evidence is not so delivered, procure that such transfer is approved by an Extraordinary Resolution of the Noteholders; and
- (b) it will, and will procure that the Transferee Company will execute one or more deeds supplemental to the Trust Deed which has the effect of ensuring to the reasonable satisfaction of the Trustee that:
 - (i) the Transferee Company is bound by the terms of the Trust Deed in respect of the Notes and these Terms and Conditions as fully as if all and any references therein to the Issuer were references to the Transferee Company; and
 - (ii) the rights of the holders of the Notes and any relative Coupons:
 - (A) are subordinated and postponed (or otherwise rank junior) to the claims of the persons who are holders of share investments (other than deferred share investments) which are qualifying shares (as defined in Section 100(3) of the Act) in the Issuer in respect of claims arising by virtue of Section 100(2)(a) of the Act and which are represented by those qualifying shares and to the claims of other unsecured and unsubordinated creditors of the Transferee Company (save that if this Note is a Senior Non-Preferred Note, the rights of the holders of the Notes may rank *pari passu* with any Secondary Non-Preferential Debts in respect of the Transferee Company or any other claims which rank, or are expressed by their terms to rank, *pari passu* therewith);
 - (B) (if this Note is a Subordinated Note) are subordinated and postponed to the claims in respect of the Senior Non-Preferred Notes; and
 - (C) will be such that they rank in priority to the holders of the issued share capital of the Transferee Company,

and containing such other provisions as the Trustee (having regard in particular to the foregoing) may reasonably require; provided that no variation or supplement to the terms of the Trust Deed or of these Terms and Conditions shall be made in any such supplemental deed which would or might cause:

- (1) any qualifying own funds or capital resources of the Issuer for the purposes of the Regulatory Capital Requirements prevailing at that time to be excluded from such own funds or capital resources; or
- (2) any liabilities of the Issuer which, for the purposes of the Loss Absorption Regulations prevailing at that time, qualify towards the Issuer's minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments to be excluded from such

minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments.

14.4 Effect of substitution

Any substitution pursuant to this Condition 14 shall be binding on the Issuer, the Trustee, the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 18.

15. Further Issues

The Issuer is at liberty from time to time without the consent of the Trustee, the Noteholders or Couponholders to create and issue further notes ranking equally in all respects (or in all respects save for the date for and the amount of the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes, or on such other terms as it may elect.

16. Replacement of Notes, Coupons and Talons

If a Note (including any Global Note), Coupon or Talon is mutilated, defaced, destroyed, stolen or lost it may be replaced at the specified office of the Agent in London, or any other place approved by the Trustee of which notice shall have been published in accordance with Condition 18, on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

17. Indemnification of, and transactions by, the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any Subsidiary of the Issuer without accounting for any profit resulting therefrom.

18. Notices

Subject to the following paragraph, all notices regarding the Notes will be valid if published in the Financial Times or any other daily newspaper in London approved by the Trustee. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Notes have then been admitted to listing, trading, and/or quotation (including publication on the website of the relevant stock exchange or relevant authority if required by those rules and regulations). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication in all the required newspapers. If publication as aforesaid is not practicable, notices will be valid if given in such other manner and shall be deemed to have been given on such date as the Issuer and the Trustee may determine. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 18.

Until such time as any definitive Notes are issued, there may, so long as any Global Note is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system approved by the Trustee, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system (as the case may be) for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given

by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg and/or any other clearing system approved by the Trustee in which the Notes are cleared, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or such other clearing system, as the case may be, may approve for this purpose.

19. Governing Law

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

20. Contracts (Rights of Third Parties) Act 1999

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 any person which exists or is available apart from that Act.

21. Recognition of UK Bail-in Power

- (a) Notwithstanding, and to the exclusion of, any other term of the Notes or any other agreements, arrangements or understandings between the Issuer and any Noteholder (or the Trustee on behalf of any Noteholder), by its acquisition of any Note (or any interest therein), each Noteholder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of the UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, consents, and agrees to be bound by:
 - (i) the effect of the exercise of the UK Bail-in Power by the Resolution Authority, that may include and result in (without limitation) any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due;
 - (B) the conversion of all, or a portion, of the Amounts Due on the Notes into shares, deferred shares (including core capital deferred shares), other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, deferred shares (including core capital deferred shares), securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
 - (C) the cancellation of the Notes; and/or
 - (D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, and/or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
 - (ii) the variation of the terms of the Notes and the Trust Deed, if necessary, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.
- (b) No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, suspended (for so long as such suspension or moratorium is outstanding), amended or altered as a result of such exercise.
- (c) Neither a reduction or cancellation, in part or in full, of the Amounts Due or the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Notes, will be an Event of Default or otherwise constitute a

breach of or default under the terms of the Notes or the Trust Deed nor a default or event of default for any other purpose.

- (d) Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall promptly give notice to the Noteholders in accordance with Condition 18 and to the Trustee and the Paying Agents. Any delay or failure by the Issuer in delivering any notice referred to in this Condition shall not affect the validity or enforceability of the UK Bail-in Power.
- (e) For the purposes of this Condition 21:
 - (i) **Amounts Due** means the nominal amount of, and any accrued but unpaid interest on, the Notes. References to such amounts will include (but will not be limited to) amounts that have become due and payable, but which have not been paid, prior to the exercise of the UK Bail-in Power by the Resolution Authority;
 - (ii) **Resolution Authority** means the Bank of England or any successor or replacement thereto and/or such other authority in the United Kingdom with the ability to exercise the UK Bail-in Power;
 - (iii) **UK Bail-in Power** means any write-down, conversion, transfer, modification, moratorium and/or suspension power (including, without limitation, any write-down or conversion powers which may be exercised by the Resolution Authority independently of resolution proceedings) existing from time to time under, and exercised in compliance with, any laws, regulations, rules, instruments, standards, guidelines or requirements relating to the recovery and resolution of banks, building societies, financial holding companies, mixed financial holding companies, credit institutions and/or investment firms (and/or certain group companies of any of the foregoing) (**relevant entities**) incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of its group, including but not limited to any such laws, regulations, rules, instruments, standards, guidelines or requirements that are implemented, adopted or enacted within the context of the Banking Act 2009 and/or the Loss Absorption Regulations, in each case as amended from time to time, and pursuant to which, *inter alia*, any obligation of a relevant entity (or an affiliate thereof) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of the relevant entity or any other person (or suspended for a temporary period) and any right in a contract governing obligations of a relevant entity may be deemed to have been exercised; and
 - (iv) references in this Condition 21 to any **Note** or **Noteholder** shall be deemed to include reference to any **Coupon** or **Couponholder**, respectively, where the context admits, and references to Noteholder and Couponholder shall include holders of beneficial interests in any Note or Coupon, respectively.

PART A

(New 2027 SNP Notes)

UK MiFIR product governance/Professional investors and ECPs only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[•] 2025

Nationwide Building Society

(incorporated in England under the Building Societies Act 1986, as amended)

(Legal Entity Identifier (LEI): 549300XFX12G42QIKN82)

£400,000,000

4.00 per cent. Fixed Rate Reset Senior Non-Preferred Notes due 2027

issued pursuant to its

U.S.\$25,000,000,000 European Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 1 August 2024 (the **Base Prospectus**), and the supplemental prospectuses dated 11 December 2024 and 29 May 2025 (the **Supplements**) which together constitute a base prospectus for the purposes of Regulation (EU) (2017/1129) as it forms part of domestic law by virtue of the European

Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus and the Supplements in order to obtain all the relevant information. The Base Prospectus and the Supplements have been published on the website of the London Stock Exchange through a regulatory information service (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and are available on the website of the Issuer at <https://www.nationwide.co.uk/investor-relations/emtn-terms-of-access/>.

TYPE OF NOTE

- | | | |
|----|----------------------|--------------------------------|
| 1. | Status of the Notes: | Senior Non-Preferred |
| 2. | Interest Basis: | Reset (see paragraph 15 below) |

DESCRIPTION OF THE NOTES

- | | | |
|-----|--|--|
| 3. | New Global Note: | Yes |
| 4. | Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 5. | (a) Series Number: | 546 |
| | (b) Tranche Number: | 1 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 6. | (a) Nominal Amount of Notes to be issued: | £400,000,000 |
| | (b) Aggregate nominal amount of Series: | £400,000,000 |
| | (c) Specified Currency: | pounds Sterling (£) |
| | (d) Specified Denomination(s): | £100,000 and integral multiples of £1,000 in excess thereof, up to (and including) £199,000. No Notes in definitive form will be issued with a denomination above £199,000 |
| | (e) Calculation Amount: | £1,000 |
| 7. | Issue Price: | 100.00 per cent. of the Nominal Amount of the Notes |
| 8. | Issue Date: | [•] 2025 |
| 9. | Interest Commencement Date: | 3 March 2025 |
| 10. | Automatic/optional conversion from one Interest Basis to another: | Not Applicable |
| 11. | Additional Financial Centre(s): | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions	Not Applicable
13.	Zero Coupon Note Provisions	Not Applicable
14.	Floating Rate Note Provisions	Not Applicable
15.	Reset Note Provisions	Applicable
	(a) Initial Rate of Interest:	4.00 per cent. per annum payable in arrear on each Interest Payment Date
	(b) First Margin:	+ 3.75 per cent. per annum
	(c) Subsequent Margin:	Not Applicable
	(d) Interest Payment Date(s):	3 March and 3 September in each year from (and including) 3 September 2025 up to (and including) the Maturity Date
	(e) Fixed Coupon Amount to (but excluding) the First Reset Date:	£20.00 per Calculation Amount
	(f) Broken Amount(s):	Not Applicable
	(g) Reset Reference Rate:	Reference Bond
	(h) First Reset Date:	3 September 2026
	(i) Second Reset Date:	Not Applicable
	(j) Subsequent Reset Date(s):	Not Applicable
	(k) Relevant Screen Page:	Not Applicable
	(l) Mid-Swap Rate:	Not Applicable
	(m) Mid-Swap Rate Determination Time:	Not Applicable
	(n) Fixed Leg Swap Duration:	Not Applicable
	(o) Floating Leg Swap Duration:	Not Applicable
	(p) Mid-Swap Floating Leg Benchmark Rate:	Not Applicable
	(q) Mid-Swap Fallback Rate in respect of the first Reset Determination Date:	Not Applicable
	(r) Reference Bond Reset Rate Time:	3.00 p.m. (London time)
	(s) Reference Bond Fallback Rate in respect of the First Reset Period:	0.25 per cent.
	(t) Designated CMT Reuters Page:	Not Applicable

(u) Designated CMT Maturity Index:	Not Applicable
(v) Day Count Fraction:	Actual/Actual (ICMA)
(w) Determination Dates:	3 March and 3 September in each year
(x) Reset Determination Date(s):	As per Condition 4.3
(y) Business Centre(s):	London
(z) Business Day Convention:	Following Business Day
• Adjusted:	Not Applicable
• Non-Adjusted:	Applicable
(aa) Calculation Agent:	Agent
16. Benchmark Discontinuation:	Applicable
(a) Benchmark Replacement:	Applicable – Condition 4.4(a) applies
(b) Benchmark Transition:	Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

17.	Maturity Date:	3 September 2027
18.	Redemption at Issuer's option:	Applicable
	(a) Optional Redemption Date(s):	3 September 2026
	(b) Optional Redemption Amount:	£1,000 per Calculation Amount
	(c) If redeemable in part:	Not Applicable – the Notes are redeemable in whole only and not in part
	(d) Notice periods:	Minimum period: 15 days Maximum period: 30 days
19.	Clean-up Call:	Not Applicable
20.	Regulatory Event (Subordinated Notes only):	Not Applicable
21.	(a) Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption:	Applicable
	(b) Loss Absorption Disqualification Event:	Full or Partial Exclusion
	(c) Senior Non-Preferred Notes: Substitution and Variation:	Applicable
22.	Redemption at Noteholder's option:	Not Applicable
23.	Final Redemption Amount:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.00 per cent. of their nominal

amount

24. Early Redemption Amount payable on £1,000 per Calculation Amount redemption following a Tax Event or (for Subordinated Notes only) a Regulatory Event or (for Senior Non-Preferred Notes only) a Loss Absorption Disqualification Event or (for any Note) on an Event of Default:

GENERAL PROVISIONS APPLICABLE TO THIS ISSUE OF NOTES

25. U.S. Selling Restrictions: Reg S Compliance Category 2: TEFRA D

THIRD PARTY INFORMATION

The indicative rating descriptions set out in Part B of these Final Terms have been extracted from the respective websites of Moody's Investors Service Limited (**Moody's**), S&P Global Ratings UK Limited (**S&P**) and Fitch Ratings Ltd. (**Fitch**). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by each credit rating agency, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of **NATIONWIDE BUILDING SOCIETY**

By:
Duly Authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

1. Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and listing on the Official List of the FCA with effect from on or around the Issue Date.
2. Estimated of total expenses related to admission to trading: £[•]

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: A3
S&P: BBB+
Fitch: A

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

The rating agencies above have published the following high-level descriptions of such ratings:

- A rating of 'A3' by Moody's Investors Service Limited is described by it as follows: ¹ "*Obligations rated A are judged to be upper-medium grade and are subject to low credit risk*" and "*the modifier 3 indicates a ranking in the lower end of that generic rating category*".
- A rating of BBB+ by S&P Global Ratings UK Limited is described by it as follows: ² "*An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation*" and "*Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories*".
- A rating of A by Fitch Ratings Ltd. is described

¹ <https://ratings.moodys.com/rating-definitions>

² <https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352>

by it as follows:³ "'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings".

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD

Indication of yield:	4.00 per cent. per annum (on an annual basis) to (but excluding) the First Reset Date.
	The yield is calculated on the basis of the Initial Rate of Interest applicable up to (but excluding) the First Reset Date and the Issue Price as at the Issue Date. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- | | |
|--|---|
| (a) ISIN: | XS3087811785 |
| (b) Common Code: | 308781178 |
| (c) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| (d) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (e) Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (ECB) being satisfied that Eurosystem eligibility criteria have been met. |
| (f) Relevant Benchmarks: | Not Applicable |

6. DISTRIBUTION

- | | |
|--|------------|
| (a) Prohibition of sales to EEA retail | Applicable |
|--|------------|

³ <https://www.fitchratings.com/products/rating-definitions>

investors:

- | | |
|---|------------|
| (b) Prohibition of sales to UK retail investors: | Applicable |
| (c) Prohibition of Sales to Belgian Consumers: | Applicable |
| (d) Singapore Sales to Institutional Investors and Accredited Investors only: | Applicable |

7. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- | | |
|-----------------------------|--|
| (a) Reasons for the offer: | The Notes will be delivered in exchange for the relevant £400,000,000 4.00 per cent. Fixed Rate Reset Callable Senior Notes due 2027 issued by CYBG PLC (currently Virgin Money UK PLC (VMUK)) under its £10,000,000,000 Global Medium Term Note Programme pursuant to a consent solicitation announced by VMUK on 3 June 2025. |
| (b) Estimated net proceeds: | £0 |

PART B

(New March 2028 SNP Notes)

UK MiFIR product governance/Professional investors and ECPs only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[•] 2025

Nationwide Building Society

(incorporated in England under the Building Societies Act 1986, as amended)

(Legal Entity Identifier (LEI): 549300XFX12G42QIKN82)

€750,000,000

4.000 per cent. Fixed Rate Reset Senior Non-Preferred Notes due 2028

issued pursuant to its

U.S.\$25,000,000,000 European Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 1 August 2024 (the **Base Prospectus**), and the supplemental prospectuses dated 11 December 2024 and 29 May 2025 (the **Supplements**) which together constitute a base prospectus for the purposes of Regulation (EU) (2017/1129) as it forms part of domestic law by virtue of the European

Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus and the Supplements in order to obtain all the relevant information. The Base Prospectus and the Supplements have been published on the website of the London Stock Exchange through a regulatory information service (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and are available on the website of the Issuer at <https://www.nationwide.co.uk/investor-relations/emtn-terms-of-access/>.

TYPE OF NOTE

- | | | |
|----|----------------------|--------------------------------|
| 1. | Status of the Notes: | Senior Non-Preferred |
| 2. | Interest Basis: | Reset (see paragraph 15 below) |

DESCRIPTION OF THE NOTES

- | | | |
|-----|--|--|
| 3. | New Global Note: | Yes |
| 4. | Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 5. | (a) Series Number: | 549 |
| | (b) Tranche Number: | 1 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 6. | (a) Nominal Amount of Notes to be issued: | €750,000,000 |
| | (b) Aggregate nominal amount of Series: | €750,000,000 |
| | (c) Specified Currency: | euro (€) |
| | (d) Specified Denomination(s): | €100,000 and integral multiples of €1,000 in excess thereof, up to (and including) €199,000. No Notes in definitive form will be issued with a denomination above €199,000 |
| | (e) Calculation Amount: | €1,000 |
| 7. | Issue Price: | 100.00 per cent. of the Nominal Amount of the Notes |
| 8. | Issue Date: | [•] 2025 |
| 9. | Interest Commencement Date: | 18 March 2025 |
| 10. | Automatic/optional conversion from one Interest Basis to another: | Not Applicable |
| 11. | Additional Financial Centre(s): | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions	Not Applicable
13.	Zero Coupon Note Provisions	Not Applicable
14.	Floating Rate Note Provisions	Not Applicable
15.	Reset Note Provisions	Applicable
	(a) Initial Rate of Interest:	4.000 per cent. per annum payable in arrear on each Interest Payment Date
	(b) First Margin:	+ 1.20 per cent. per annum
	(c) Subsequent Margin:	Not Applicable
	(d) Interest Payment Date(s):	18 March in each year from (and including) 18 March 2026 up to (and including) the Maturity Date
	(e) Fixed Coupon Amount to (but excluding) the First Reset Date:	€40.00 per Calculation Amount
	(f) Broken Amount(s):	Not Applicable
	(g) Reset Reference Rate:	Mid-Swaps
	(h) First Reset Date:	18 March 2027
	(i) Second Reset Date:	Not Applicable
	(j) Subsequent Reset Date(s):	Not Applicable
	(k) Relevant Screen Page:	ICESWAP2
	(l) Mid-Swap Rate:	Single Mid-Swap Rate
	(m) Mid-Swap Rate Determination Time:	11.00 a.m. (Central European time)
	(n) Fixed Leg Swap Duration:	12 months
	(o) Floating Leg Swap Duration:	6 months
	(p) Mid-Swap Floating Leg Benchmark Rate:	6-month EURIBOR (calculated on an Actual/360 day count basis)
	(q) Mid-Swap Fallback Rate in respect of the first Reset Determination Date:	2.80 per cent.
	(r) Reference Bond Reset Rate Time:	Not Applicable
	(s) Reference Bond Fallback Rate in respect of the First Reset Period:	Not Applicable
	(t) Designated CMT Reuters Page:	Not Applicable
	(u) Designated CMT Maturity Index:	Not Applicable

(v) Day Count Fraction:	Actual/Actual (ICMA)
(w) Determination Date:	18 March in each year
(x) Reset Determination Date(s):	As per Condition 4.3
(y) Business Centre(s):	London and T2
(z) Business Day Convention:	Following Business Day
• Adjusted:	Not Applicable
• Non-Adjusted:	Applicable
(aa) Calculation Agent:	Agent
16. Benchmark Discontinuation:	Applicable
(a) Benchmark Replacement:	Applicable – Condition 4.4(a) applies
(b) Benchmark Transition:	Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

17. Maturity Date:	18 March 2028
18. Redemption at Issuer's option:	Applicable
(a) Optional Redemption Date(s):	18 March 2027
(b) Optional Redemption Amount:	€1,000 per Calculation Amount
(c) If redeemable in part:	Not Applicable – the Notes are redeemable in whole only and not in part
(d) Notice periods:	Minimum period: 15 days Maximum period: 30 days
19. Clean-up Call:	Not Applicable
20. Regulatory Event (Subordinated Notes only):	Not Applicable
21. (a) Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption:	Applicable
(b) Loss Absorption Disqualification Event:	Full or Partial Exclusion
(c) Senior Non-Preferred Notes: Substitution and Variation:	Applicable
22. Redemption at Noteholder's option:	Not Applicable
23. Final Redemption Amount:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.00 per cent. of their nominal amount

24. Early Redemption Amount payable on €1,000 per Calculation Amount redemption following a Tax Event or (for Subordinated Notes only) a Regulatory Event or (for Senior Non-Preferred Notes only) a Loss Absorption Disqualification Event or (for any Note) on an Event of Default:

GENERAL PROVISIONS APPLICABLE TO THIS ISSUE OF NOTES

25. U.S. Selling Restrictions: Reg S Compliance Category 2: TEFRA D

THIRD PARTY INFORMATION

The indicative rating descriptions set out in Part B of these Final Terms have been extracted from the respective websites of Moody's Investors Service Limited (**Moody's**), S&P Global Ratings UK Limited (**S&P**) and Fitch Ratings Ltd. (**Fitch**). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by each credit rating agency, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of **NATIONWIDE BUILDING SOCIETY**

By:
Duly Authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

1. Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and listing on the Official List of the FCA with effect from on or around the Issue Date.
2. Estimated of total expenses related to admission to trading: £[•]

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: A3
S&P: BBB+
Fitch: A

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

The rating agencies above have published the following high-level descriptions of such ratings:

- A rating of 'A3' by Moody's Investors Service Limited is described by it as follows: ¹ "*Obligations rated A are judged to be upper-medium grade and are subject to low credit risk*" and "*the modifier 3 indicates a ranking in the lower end of that generic rating category*".
- A rating of BBB+ by S&P Global Ratings UK Limited is described by it as follows: ² "*An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation*" and "*Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories*".
- A rating of A by Fitch Ratings Ltd. is described

¹ <https://ratings.moodys.com/rating-definitions>

² <https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352>

by it as follows:³ "A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings".

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD

Indication of yield: 4.000 per cent. per annum (on an annual basis) to (but excluding) the First Reset Date.

The yield is calculated on the basis of the Initial Rate of Interest applicable up to (but excluding) the First Reset Date and the Issue Price as at the Issue Date. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (a) ISIN: XS3087807916
- (b) Common Code: 308780791
- (c) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (d) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (e) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (ECB) being satisfied that Eurosystem eligibility criteria have been met.
- (f) Relevant Benchmarks: EURIBOR is provided by the European Money Markets Institute (the EMMI). As at the date hereof, the EMMI appears in the register of administrators and benchmarks established and maintained by the

³ <https://www.fitchratings.com/products/rating-definitions>

FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of the UK Benchmarks Regulation.

The Mid-Swap Rate that appears on the Reuters Screen page "ICESWAP2" is provided by ICE Benchmark Administration Limited (**ICE**). As at the date hereof, ICE appears in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of the UK Benchmarks Regulation.

6. **DISTRIBUTION**

- | | |
|---|------------|
| (a) Prohibition of sales to EEA retail investors: | Applicable |
| (b) Prohibition of sales to UK retail investors: | Applicable |
| (c) Prohibition of Sales to Belgian Consumers: | Applicable |
| (d) Singapore Sales to Institutional Investors and Accredited Investors only: | Applicable |

7. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- | | |
|-----------------------------|--|
| (a) Reasons for the offer: | The Notes will be delivered in exchange for the relevant €750,000,000 4.000 per cent. Fixed Rate Reset Callable Senior Notes due 2028 issued by Virgin Money UK PLC (VMUK) under its £10,000,000,000 Global Medium Term Note Programme pursuant to a consent solicitation announced by VMUK on 3 June 2025. |
| (b) Estimated net proceeds: | €0 |

PART C

(New October 2028 SNP Notes)

UK MiFIR product governance/Professional investors and ECPs only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[•] 2025

Nationwide Building Society

(incorporated in England under the Building Societies Act 1986, as amended)

(Legal Entity Identifier (LEI): 549300XFX12G42QIKN82)

€500,000,000

4.625 per cent. Fixed Rate Reset Senior Non-Preferred Notes due 2028

issued pursuant to its

U.S.\$25,000,000,000 European Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 1 August 2024 (the **Base Prospectus**), and the supplemental prospectuses dated 11 December 2024 and 29 May 2025 (the **Supplements**) which together constitute a base prospectus for the purposes of Regulation (EU) (2017/1129) as it forms part of domestic law by virtue of the European

Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus and the Supplements in order to obtain all the relevant information. The Base Prospectus and the Supplements have been published on the website of the London Stock Exchange through a regulatory information service (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and are available on the website of the Issuer at <https://www.nationwide.co.uk/investor-relations/emtn-terms-of-access/>.

TYPE OF NOTE

- | | | |
|----|----------------------|--------------------------------|
| 1. | Status of the Notes: | Senior Non-Preferred |
| 2. | Interest Basis: | Reset (see paragraph 15 below) |

DESCRIPTION OF THE NOTES

- | | | |
|-----|--|--|
| 3. | New Global Note: | Yes |
| 4. | Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 5. | (a) Series Number: | 547 |
| | (b) Tranche Number: | 1 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 6. | (a) Nominal Amount of Notes to be issued: | €500,000,000 |
| | (b) Aggregate nominal amount of Series: | €500,000,000 |
| | (c) Specified Currency: | euro (€) |
| | (d) Specified Denomination(s): | €100,000 and integral multiples of €1,000 in excess thereof, up to (and including) €199,000. No Notes in definitive form will be issued with a denomination above €199,000 |
| | (e) Calculation Amount: | €1,000 |
| 7. | Issue Price: | 100.00 per cent. of the Nominal Amount of the Notes |
| 8. | Issue Date: | [•] 2025 |
| 9. | Interest Commencement Date: | 29 October 2024 |
| 10. | Automatic/optional conversion from one Interest Basis to another: | Not Applicable |
| 11. | Additional Financial Centre(s): | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions	Not Applicable
13.	Zero Coupon Note Provisions	Not Applicable
14.	Floating Rate Note Provisions	Not Applicable
15.	Reset Note Provisions	Applicable
	(a) Initial Rate of Interest:	4.625 per cent. per annum payable in arrear on each Interest Payment Date
	(b) First Margin:	+ 1.75 per cent. per annum
	(c) Subsequent Margin:	Not Applicable
	(d) Interest Payment Date(s):	29 October in each year from (and including) 29 October 2025 up to (and including) the Maturity Date
	(e) Fixed Coupon Amount to (but excluding) the First Reset Date:	€46.25 per Calculation Amount
	(f) Broken Amount(s):	Not Applicable
	(g) Reset Reference Rate:	Mid-Swaps
	(h) First Reset Date:	29 October 2027
	(i) Second Reset Date:	Not Applicable
	(j) Subsequent Reset Date(s):	Not Applicable
	(k) Relevant Screen Page:	ICESWAP2
	(l) Mid-Swap Rate:	Single Mid-Swap Rate
	(m) Mid-Swap Rate Determination Time:	11.00 a.m. (Central European time)
	(n) Fixed Leg Swap Duration:	12 months
	(o) Floating Leg Swap Duration:	6 months
	(p) Mid-Swap Floating Leg Benchmark Rate:	6-month EURIBOR (calculated on an Actual/360 day count basis)
	(q) Mid-Swap Fallback Rate in respect of the first Reset Determination Date:	2.875 per cent.
	(r) Reference Bond Reset Rate Time:	Not Applicable
	(s) Reference Bond Fallback Rate in respect of the First Reset Period:	Not Applicable
	(t) Designated CMT Reuters Page:	Not Applicable
	(u) Designated CMT Maturity Index:	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)

(w) Determination Date:	29 October in each year
(x) Reset Determination Date(s):	As per Condition 4.3
(y) Business Centre(s):	London and T2
(z) Business Day Convention:	Following Business Day
• Adjusted:	Not Applicable
• Non-Adjusted:	Applicable
(aa) Calculation Agent:	Agent
16. Benchmark Discontinuation:	Applicable
(a) Benchmark Replacement:	Applicable – Condition 4.4(a) applies
(b) Benchmark Transition:	Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

17.	Maturity Date:	29 October 2028
18.	Redemption at Issuer's option:	Applicable
	(a) Optional Redemption Date(s):	29 October 2027
	(b) Optional Redemption Amount:	€1,000 per Calculation Amount
	(c) If redeemable in part:	Not Applicable – the Notes are redeemable in whole only and not in part
	(d) Notice periods:	Minimum period: 15 days Maximum period: 30 days
19.	Clean-up Call:	Not Applicable
20.	Regulatory Event (Subordinated Notes only):	Not Applicable
21.	(a) Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption:	Applicable
	(b) Loss Absorption Disqualification Event:	Full or Partial Exclusion
	(c) Senior Non-Preferred Notes: Substitution and Variation:	Applicable
22.	Redemption at Noteholder's option:	Not Applicable
23.	Final Redemption Amount:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.00 per cent. of their nominal amount
24.	Early Redemption Amount payable on redemption following a Tax Event or (for	€1,000 per Calculation Amount

Subordinated Notes only) a Regulatory Event or (for Senior Non-Preferred Notes only) a Loss Absorption Disqualification Event or (for any Note) on an Event of Default:

GENERAL PROVISIONS APPLICABLE TO THIS ISSUE OF NOTES

25. U.S. Selling Restrictions: Reg S Compliance Category 2: TEFRA D

THIRD PARTY INFORMATION

The indicative rating descriptions set out in Part B of these Final Terms have been extracted from the respective websites of Moody's Investors Service Limited (**Moody's**), S&P Global Ratings UK Limited (**S&P**) and Fitch Ratings Ltd. (**Fitch**). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by each credit rating agency, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of **NATIONWIDE BUILDING SOCIETY**

By:
Duly Authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

1. Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and listing on the Official List of the FCA with effect from on or around the Issue Date.
2. Estimated of total expenses related to admission to trading: £[•]

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: A3
S&P: BBB+
Fitch: A

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

The rating agencies above have published the following high-level descriptions of such ratings:

- A rating of 'A3' by Moody's Investors Service Limited is described by it as follows: ¹ "*Obligations rated A are judged to be upper-medium grade and are subject to low credit risk*" and "*the modifier 3 indicates a ranking in the lower end of that generic rating category*".
- A rating of BBB+ by S&P Global Ratings UK Limited is described by it as follows: ² "*An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation*" and "*Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories*".
- A rating of A by Fitch Ratings Ltd. is described

¹ <https://ratings.moodys.com/rating-definitions>

² <https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352>

by it as follows:³ "A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings".

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD

Indication of yield: 4.625 per cent. per annum (on an annual basis) to (but excluding) the First Reset Date.

The yield is calculated on the basis of the Initial Rate of Interest applicable up to (but excluding) the First Reset Date and the Issue Price as at the Issue Date. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- | | | |
|-----|--|---|
| (a) | ISIN: | XS3087810548 |
| (b) | Common Code: | 308781054 |
| (c) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| (d) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (e) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (ECB) being satisfied that Eurosystem eligibility criteria have been met. |
| (f) | Relevant Benchmarks: | EURIBOR is provided by the European Money Markets Institute (the EMMI). As at the date hereof, the EMMI appears in the register of administrators and benchmarks established and maintained by the |

³ <https://www.fitchratings.com/products/rating-definitions>

FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of the UK Benchmarks Regulation.

The Mid-Swap Rate that appears on the Reuters Screen page "ICESWAP2" is provided by ICE Benchmark Administration Limited (**ICE**). As at the date hereof, ICE appears in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of the UK Benchmarks Regulation.

6. **DISTRIBUTION**

- | | |
|---|------------|
| (a) Prohibition of sales to EEA retail investors: | Applicable |
| (b) Prohibition of sales to UK retail investors: | Applicable |
| (c) Prohibition of Sales to Belgian Consumers: | Applicable |
| (d) Singapore Sales to Institutional Investors and Accredited Investors only: | Applicable |

7. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- | | |
|-----------------------------|--|
| (a) Reasons for the offer: | The Notes will be delivered in exchange for the relevant €500,000,000 4.625 per cent. Fixed Rate Reset Callable Senior Notes due 2028 issued by Virgin Money UK PLC (VMUK) under its £10,000,000,000 Global Medium Term Note Programme pursuant to a consent solicitation announced by VMUK on 3 June 2025. |
| (b) Estimated net proceeds: | €0 |

PART D

(New 2029 SNP Notes)

UK MiFIR product governance/Professional investors and ECPs only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[•] 2025

Nationwide Building Society

(incorporated in England under the Building Societies Act 1986, as amended)

(Legal Entity Identifier (LEI): 549300XFX12G42QIKN82)

£300,000,000

7.625 per cent. Fixed Rate Reset Senior Non-Preferred Notes due 2029

issued pursuant to its

U.S.\$25,000,000,000 European Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 1 August 2024 (the **Base Prospectus**), and the supplemental prospectuses dated 11 December 2024 and 29 May 2025 (the **Supplements**) which together constitute a base prospectus for the purposes of Regulation (EU) (2017/1129) as it forms part of domestic law by virtue of the European

Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus and the Supplements in order to obtain all the relevant information. The Base Prospectus and the Supplements have been published on the website of the London Stock Exchange through a regulatory information service (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>) and are available on the website of the Issuer at <https://www.nationwide.co.uk/investor-relations/emtn-terms-of-access/>.

TYPE OF NOTE

- | | | |
|----|----------------------|--------------------------------|
| 1. | Status of the Notes: | Senior Non-Preferred |
| 2. | Interest Basis: | Reset (see paragraph 15 below) |

DESCRIPTION OF THE NOTES

- | | | |
|-----|--|--|
| 3. | New Global Note: | Yes |
| 4. | Form of Notes: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 5. | (a) Series Number: | 548 |
| | (b) Tranche Number: | 1 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 6. | (a) Nominal Amount of Notes to be issued: | £300,000,000 |
| | (b) Aggregate nominal amount of Series: | £300,000,000 |
| | (c) Specified Currency: | pounds Sterling (£) |
| | (d) Specified Denomination(s): | £100,000 and integral multiples of £1,000 in excess thereof, up to (and including) £199,000. No Notes in definitive form will be issued with a denomination above £199,000 |
| | (e) Calculation Amount: | £1,000 |
| 7. | Issue Price: | 100.00 per cent. of the Nominal Amount of the Notes |
| 8. | Issue Date: | [•] 2025 |
| 9. | Interest Commencement Date: | 23 February 2025 |
| 10. | Automatic/optional conversion from one Interest Basis to another: | Not Applicable |
| 11. | Additional Financial Centre(s): | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions	Not Applicable
13.	Zero Coupon Note Provisions	Not Applicable
14.	Floating Rate Note Provisions	Not Applicable
15.	Reset Note Provisions	Applicable
	(a) Initial Rate of Interest:	7.625 per cent. per annum payable in arrear on each Interest Payment Date
	(b) First Margin:	+ 3.05 per cent. per annum
	(c) Subsequent Margin:	Not Applicable
	(d) Interest Payment Date(s):	23 February and 23 August in each year from (and including) 23 August 2025 up to (and including) the Maturity Date
	(e) Fixed Coupon Amount to (but excluding) the First Reset Date:	£38.13 per Calculation Amount
	(f) Broken Amount(s):	Not Applicable
	(g) Reset Reference Rate:	Reference Bond
	(h) First Reset Date:	23 August 2028
	(i) Second Reset Date:	Not Applicable
	(j) Subsequent Reset Date(s):	Not Applicable
	(k) Relevant Screen Page:	Not Applicable
	(l) Mid-Swap Rate:	Not Applicable
	(m) Mid-Swap Rate Determination Time:	Not Applicable
	(n) Fixed Leg Swap Duration:	Not Applicable
	(o) Floating Leg Swap Duration:	Not Applicable
	(p) Mid-Swap Floating Leg Benchmark Rate:	Not Applicable
	(q) Mid-Swap Fallback Rate in respect of the first Reset Determination Date:	Not Applicable
	(r) Reference Bond Reset Rate Time:	11:00 a.m. (London time)
	(s) Reference Bond Fallback Rate in respect of the First Reset Period:	4.575 per cent.
	(t) Designated CMT Reuters Page:	Not Applicable

(u) Designated CMT Maturity Index:	Not Applicable
(v) Day Count Fraction:	Actual/Actual (ICMA)
(w) Determination Date:	23 February and 23 August in each year
(x) Reset Determination Date(s):	As per Condition 4.3
(y) Business Centre(s):	London
(z) Business Day Convention:	Following Business Day
• Adjusted:	Not Applicable
• Non-Adjusted:	Applicable
(aa) Calculation Agent:	Agent
16. Benchmark Discontinuation:	Applicable
(a) Benchmark Replacement:	Applicable – Condition 4.4(a) applies
(b) Benchmark Transition:	Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

17.	Maturity Date:	23 August 2029
18.	Redemption at Issuer's option:	Applicable
	(a) Optional Redemption Date(s):	23 August 2028
	(b) Optional Redemption Amount:	£1,000 per Calculation Amount
	(c) If redeemable in part:	Not Applicable – the Notes are redeemable in whole only and not in part
	(d) Notice periods:	Minimum period: 15 days Maximum period: 30 days
19.	Clean-up Call:	Not Applicable
20.	Regulatory Event (Subordinated Notes only):	Not Applicable
21.	(a) Senior Non-Preferred Notes: Loss Absorption Disqualification Event Redemption:	Applicable
	(b) Loss Absorption Disqualification Event:	Full or Partial Exclusion
	(c) Senior Non-Preferred Notes: Substitution and Variation:	Applicable
22.	Redemption at Noteholder's option:	Not Applicable
23.	Final Redemption Amount:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.00 per cent. of their nominal

amount

24. Early Redemption Amount payable on £1,000 per Calculation Amount redemption following a Tax Event or (for Subordinated Notes only) a Regulatory Event or (for Senior Non-Preferred Notes only) a Loss Absorption Disqualification Event or (for any Note) on an Event of Default:

GENERAL PROVISIONS APPLICABLE TO THIS ISSUE OF NOTES

25. U.S. Selling Restrictions: Reg S Compliance Category 2: TEFRA D

THIRD PARTY INFORMATION

The indicative rating descriptions set out in Part B of these Final Terms have been extracted from the respective websites of Moody's Investors Service Limited (**Moody's**), S&P Global Ratings UK Limited (**S&P**) and Fitch Ratings Ltd. (**Fitch**). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by each credit rating agency, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of **NATIONWIDE BUILDING SOCIETY**

By:
Duly Authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

1. Listing and Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and listing on the Official List of the FCA with effect from on or around the Issue Date.
2. Estimated of total expenses related to admission to trading: £[•]

2. RATINGS

Ratings: The Notes to be issued have been rated:

Moody's: A3
S&P: BBB+
Fitch: A

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

The rating agencies above have published the following high-level descriptions of such ratings:

- A rating of 'A3' by Moody's Investors Service Limited is described by it as follows: ¹ "*Obligations rated A are judged to be upper-medium grade and are subject to low credit risk*" and "*the modifier 3 indicates a ranking in the lower end of that generic rating category*".
- A rating of BBB+ by S&P Global Ratings UK Limited is described by it as follows: ² "*An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation*" and "*Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories*".
- A rating of A by Fitch Ratings Ltd. is described

¹ <https://ratings.moodys.com/rating-definitions>

² <https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352>

by it as follows:³ "A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings".

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD

Indication of yield:	7.625 per cent. per annum (on an annual basis) to (but excluding) the First Reset Date.
	The yield is calculated on the basis of the Initial Rate of Interest applicable up to (but excluding) the First Reset Date and the Issue Price as at the Issue Date. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- | | |
|--|---|
| (a) ISIN: | XS3087805209 |
| (b) Common Code: | 308780520 |
| (c) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| (d) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (e) Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (ECB) being satisfied that Eurosystem eligibility criteria have been met. |
| (f) Relevant Benchmarks: | Not Applicable |

³ <https://www.fitchratings.com/products/rating-definitions>

6. **DISTRIBUTION**

- | | |
|---|------------|
| (a) Prohibition of sales to EEA retail investors: | Applicable |
| (b) Prohibition of sales to UK retail investors: | Applicable |
| (c) Prohibition of Sales to Belgian Consumers: | Applicable |
| (d) Singapore Sales to Institutional Investors and Accredited Investors only: | Applicable |

7. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- | | |
|-----------------------------|--|
| (a) Reasons for the offer: | The Notes will be delivered in exchange for the relevant £300,000,000 7.625 per cent. Fixed Rate Reset Callable Senior Notes due 2029 issued by Virgin Money UK PLC (VMUK) under its £10,000,000,000 Global Medium Term Note Programme pursuant to a consent solicitation announced by VMUK on 3 June 2025. |
| (b) Estimated net proceeds: | £[•] |