

Close Brothers

Close Brothers Finance plc

(incorporated with limited liability in England and Wales with registered number 4322721)

£2,000,000,000

Euro Medium Term Note Programme guaranteed by Close Brothers Limited

(incorporated with limited liability in England and Wales with registered number 195626)

Under this £2,000,000,000 Euro Medium Term Note Programme (the **"Programme"**), Close Brothers Finance plc (the **"Issuer"**) may from time to time issue notes (the **"Notes"**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payment of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Close Brothers Limited (the **"Parent Guarantor"**) on an unsubordinated basis.

Notes may be issued in bearer or registered form (respectively **"Bearer Notes"** and **"Registered Notes"**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £2,000,000,000 (or its equivalent in other currencies calculated as set out in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under **"General Description of the Programme"** and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **"Dealer"** and together the **"Dealers"**), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the **"relevant Dealer"** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors".

This Prospectus has been approved as a base prospectus (the **"Prospectus"**) by the United Kingdom (**"UK"**) Financial Conduct Authority (the **"FCA"**) as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018 (**"EUWA"**) (the **"UK Prospectus Regulation"**). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, the Parent Guarantor or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the FCA (the **"Official List"**) and to the London Stock Exchange plc (the **"London Stock Exchange"**) for such Notes to be admitted to trading on the Main Market of the London Stock Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Parent Guarantor and the relevant Dealer.

References in this Prospectus to Notes being **"listed"** (and all related references) shall mean that such Notes have been admitted to trading on the Main Market of the London Stock Exchange and have been admitted to the Official List. The Main Market of the London Stock Exchange is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law in the UK by virtue of the EUWA (**"UK MiFIR"**).

As at the date of this Prospectus, the Issuer's Long Term/Short Term ratings are Aa3 / P-1 (negative outlook) by Moody's Investors Service Limited (**"Moody's"**) and the Parent Guarantor's Long Term/Short Term ratings are Aa3 / P-1 (negative outlook) by Moody's and BBB+/ F2 (negative outlook) by Fitch Ratings Limited (**"Fitch"**). The Programme has been assigned a Long Term/Short Term rating of Aa3 / P-1 by Moody's and a Long Term/Short Term rating of BBB+ / F2 by Fitch. Each of Moody's and Fitch is established in the UK and is registered under the (EC) No 1060/2009 as it forms part of domestic law in the UK by virtue of the EUWA (the **"UK CRA Regulation"**). Neither Moody's nor Fitch is established in the EEA and neither have applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **"CRA Regulation"**). The ratings issued by Moody's and Fitch have been endorsed by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, in accordance with the CRA Regulation. Each of Moody's Deutschland GmbH and Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As such each of Moody's Deutschland GmbH and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. 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.

Amounts payable on Floating Rate Notes will be calculated by reference to one of SONIA, SOFR or EURIBOR as specified in the relevant Final Terms. As at the date of this Prospectus, the administrator of EURIBOR (the European Money Markets Institute) appears on the register of administrators and benchmarks (the **"Register"**) established and maintained by the FCA under Article 36 of the Regulation (EU) No. 2016/1011 as it forms part of domestic law in the UK by virtue of the EUWA (the **"UK Benchmarks Regulation"**). As at the date of this Prospectus, the administrator of SONIA (the Bank of England) is not included in the FCA's Register under Article 36 of the UK Benchmarks Regulation. As far as the Issuer is aware, the Bank of England, as administrator of SONIA, does not fall within with scope of the UK Benchmarks Regulation by virtue of Article 2 of that regulation. As at the date of this Prospectus, the administrator of SOFR (the Federal Reserve Bank of New York) is not included in the FCA's Register under Article 36 of the UK Benchmarks Regulation. As far as the Issuer is aware, the Federal Reserve Bank of New York, as administrator of SOFR, does not fall within with scope of the UK Benchmarks Regulation by virtue of Article 2 of that regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche of Notes will be set out in the final terms document (the **"Final Terms"**), which will be delivered to the FCA and the London Stock Exchange. Copies of Final Terms will also be published on the website of the London Stock Exchange through a regulatory information service.

Arranger
NatWest Markets

Dealers

BofA Securities
J.P. Morgan
NatWest Markets
UBS Investment Bank

HSBC
Lloyds Bank Corporate Markets
Société Générale Corporate & Investment Banking

The date of this Prospectus is 13 June 2024.

IMPORTANT INFORMATION

This Prospectus constitutes a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation.

This Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the UK and/or offered to the public in the UK other than in circumstances where an exemption is available under Section 86 of the Financial Services and Markets Act 2000 (the “FSMA”). The Issuer and the Parent Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of any Notes, prepare a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes in compliance with the FSMA. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

In this Prospectus, references to the “Issuer” are to Close Brothers Finance plc; references to the “Parent Guarantor” are to Close Brothers Limited; and references to the “Group” are references to the Parent Guarantor and its subsidiaries.

The Issuer and the Parent Guarantor accept responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Parent Guarantor the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

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

Neither the Dealers nor Citicorp Trustee Company Limited (the “Trustee”) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Parent Guarantor in connection with the Programme. Neither the Dealers nor the Trustee accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Parent Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer, the Parent Guarantor, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Parent Guarantor, any of the Dealers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Parent Guarantor, any of the Dealers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Parent Guarantor. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Parent Guarantor, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus, nor the offering, sale or delivery of any Notes, shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Parent Guarantor is correct at any time subsequent to the date hereof, or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Parent Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Other than in relation to the documents which are deemed to be incorporated by reference (see “Documents Incorporated by Reference”), the information on any websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FCA.

Where third-party information has been used in this Prospectus, the source of such information has been identified. The Issuer confirms that such information has been accurately reproduced and, so far as the Issuer is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

SUITABILITY OF INVESTMENT

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained, or incorporated by reference, in this Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including (without limitation) where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Prospective investors should also consult their own financial, legal, accounting and tax advisers as to the financial, legal, accounting and tax consequences of the purchase, ownership and disposition of the Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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 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; (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “EU Prospectus Regulation”). 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 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 in the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of 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; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in 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.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance / Professional Investors and ECPs Only Target Market” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “MiFID II distributor”) should take into consideration the target market assessment; however a MiFID II distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID Product Governance rules under European Union (the “EU”) Delegated Directive 2017/593 (the “MiFID II Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE AND TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for

distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “UK MiFIR distributor”) should take into consideration the target market assessment; however, a UK MiFIR 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The Notes are being offered and sold only to non-U.S. persons outside the United States in reliance upon Regulation S under the Securities Act (“Regulation S”), see “Subscription and Sale”.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction and so agrees, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE “SFA”) – Unless otherwise stated in the applicable Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”)) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Parent Guarantor, the Dealers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Parent Guarantor, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be

distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the UK, the United States, the EEA (including The Netherlands and Italy), Japan, Singapore and Hong Kong, see “Subscription and Sale”.

All references in this document to “U.S. dollars” and “U.S.\$” refer to United States dollars. In addition, all references to “Sterling” and “£” refer to pounds sterling and to “euro” and “€” refer to 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 EU, as amended.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

This Prospectus may only be used for the purposes for which it has been published.

The Issuer and the Parent Guarantor may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes admitted to the Official List only) further listing particulars, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Prospectus and the information incorporated by reference in this Prospectus include certain “forward-looking statements”. Statements that are not historical facts, including statements about the plans, objectives, goals, strategies, future operations and performance, beliefs and expectations of the Issuer, the Parent Guarantor and other members of the Group and their respective directors or management, are forward-looking statements. Words such as “believes”, “anticipates”, “estimates”, “expects”, “intends”, “plans”, “aims”, “seeks”, “potential”, “may”, “will”, “would”, “could”, “should”, “considered”, “likely”, “estimate” and variations of these words and similar future or conditional expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur, many of which are beyond the control of the Issuer, the Parent Guarantor or the Group and all of which are based on their current beliefs and expectations about future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer, the Parent Guarantor or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Issuer, the Parent Guarantor and the Group and the environment in which the Issuer, the Parent Guarantor and the Group will operate in the future. These forward-looking statements speak only as at the date of this Prospectus.

Except as required by applicable law, regulation or stock exchange requirement, each of the Issuer and the Parent Guarantor expressly disclaims any obligations or undertakings to release publicly after the date of this Prospectus any updates or revisions to any forward-looking statements contained in this Prospectus or incorporated by reference into this Prospectus to reflect any change in the expectations of the Issuer or the Parent Guarantor with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures (“APMs”) as described in the European Securities and Markets Authority Guidelines on Alternative Performance Measures are included or referred to in this Prospectus (including in the documents incorporated by reference). APMs are measures that are not defined under generally accepted accounting principles (“GAAP”) in the UK and which are used by the Parent Guarantor within its financial publications to supplement disclosures prepared in accordance with other applicable regulations such as International Financial Reporting Standards, as endorsed by the European Union (“IFRS”). The Parent Guarantor considers that these measures provide useful information to enhance the understanding of its financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such metric’s components and calculation method can be found on pages 5 to 6 of the Annual Report of the Parent Guarantor for the financial year ended 31 July 2023, pages 3 to 4 of the Annual Report of the Parent Guarantor for the financial year ended 31 July 2022 and pages 25 to 27 of the half-year results of Close Brothers Group plc, as the ultimate parent company of the Parent Guarantor (the “Ultimate Parent”) for the six month period ended 31 January 2024 (which are incorporated by reference in this Prospectus).

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meanings in this general description.

The Issuer, the Parent Guarantor and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only, and if appropriate, a supplemental Prospectus will be published.

This description constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980 as it forms part of domestic law in the UK by virtue of the EUWA.

Issuer: Close Brothers Finance plc

Parent Guarantor: Close Brothers Limited

Risk factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under “*Risk Factors*” beginning on page 8 hereof. There are also certain factors that may affect the Parent Guarantor's ability to fulfil its obligations under the Guarantee. These are also set out under “*Risk Factors*” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under “*Risk Factors*” below.

Description: Euro Medium Term Note Programme

Arranger: NatWest Markets Plc

Dealers HSBC Bank plc
J.P. Morgan Securities plc
Lloyds Bank Corporate Markets plc
Merrill Lynch International
NatWest Markets Plc
Société Générale
UBS AG London Branch

and any other Dealers appointed in accordance with the Programme Agreement.

Trustee: Citicorp Trustee Company Limited

Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”) including the following restriction applicable at the date of this Prospectus:
Notes having a maturity of less than one year	
	Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “Subscription and Sale”.
Principal Paying Agent and Settlement Agent:	Citibank, N.A., London Branch
Registrar:	Citibank Europe Plc, Germany Branch
Programme Size:	Up to £2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Parent Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in either bearer or registered form as described in “Form of the Notes”. Registered Notes will

not be exchangeable for Bearer Notes and *vice versa*.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes:

Zero Coupon Notes may be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "Certain Restrictions - Notes having a maturity of less than one year" above.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "Certain

Restrictions - Notes having a maturity of less than one year" above) and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes imposed by any Tax Jurisdiction, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, the Issuer or, as the case may be, the Parent Guarantor will, save in certain limited circumstances provided in Condition 8 (*Taxation*), be required to pay additional amounts to cover the amounts so withheld or deducted.

Negative Pledge:

The terms of the Notes will contain a negative pledge provision, as further described in Condition 4 (*Negative Pledge*).

Cross Default:

The terms of the Notes will contain a cross default provision as further described in Condition 10 (*Events of Default*).

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4 (*Negative Pledge*), unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Guarantee:

The Notes will be unconditionally and irrevocably guaranteed by the Parent Guarantor on an unsubordinated basis (the "Guarantee").

The payment obligations of the Parent Guarantor under the Guarantee will be direct, unconditional and, subject to the provisions of Condition 4 (*Negative Pledge*), unsecured obligations of the Parent Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations), if any, of the Parent Guarantor.

Rating:

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms, and will not necessarily be the same as the ratings assigned to the

Issuer or the Parent Guarantor. A security 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.

Listing and admission to trading:

Application has been made to the FCA for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List and to the London Stock Exchange for such notes to be admitted to trading on the London Stock Exchange's main market.

Governing Law:

The Notes, and any non-contractual obligations arising out of or in connection with them, will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the UK, the United States, the EEA (including The Netherlands and Italy), Japan, Singapore and Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "Subscription and Sale".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

RISK FACTORS

Each of the Issuer and the Parent Guarantor believes that the following factors, which are specific to the Issuer and/or the Parent Guarantor (as applicable), may affect its ability to fulfil its respective obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuer and the Parent Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer or the Parent Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and neither the Issuer nor the Parent Guarantor represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Terms and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Prospectus have the same meaning when used in this section.

Factors that may affect the Issuer’s ability to fulfil its obligations under the Notes issued under or in connection with the Programme

(A) Economic and political risks

Adverse Economic Conditions

The Group is directly and indirectly subject to inherent risks arising from general economic conditions in the UK and the other economies in which it operates, in respect of which there remains uncertainty about future economic development, and economic conditions remain challenging. Investors remain cautious and any worsening, or failure to improve, of economic conditions would likely aggravate the adverse effects of difficult economic and market conditions on the Group and on others in the financial services industry.

Due to the diversified nature of the Group’s activities, variable and/or volatile economic conditions could impact the Group in a number of different ways including, among other things, lower demand for the Group’s products and services, lower investor risk appetite as a result of instability in the financial markets, high bad debt charges due to the inability of customers to repay loans and associated interest and charges and reductions in asset values or ability to recover from third parties under other arrangements treated as security for those loans, and increased volatility in the funding markets. The Group operates in specialist areas where staff have significant expertise of the market and its products, along with an in depth understanding of the requirements of the Group’s customers, which has improved the Group’s resilience, enabling it to trade profitably through economic downturns. However, in a sustained economic phase of low growth and high public debt, characterised by higher unemployment, lower household income, lower corporate earnings, lower business investment and/or lower consumer

spending, demand for the Group's products and services could be materially and adversely affected.

There continues to be a risk to the demand for the Group's products and services and the associated impacts on the Group's profitability as demand for such products and services, especially those within the UK, is sensitive to economic conditions, particularly in the event of a renewed economic downturn. Though the pressures resulting from the COVID-19 pandemic have receded, geopolitical factors (including the conflicts in Ukraine and Gaza), higher inflation and higher interest rates continue to add an element of uncertainty to the economic outlook in the UK and across global supply chains and markets more generally. Factors relating to general economic conditions such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, rising inflation, interest rates and energy prices and pressures on the cost of living, all have the potential to adversely affect the profitability of the Group. The exact impact of these market risks faced by the Group is uncertain and difficult to predict and respond to, particularly in view of: difficulties in predicting the rate at which any economic deterioration may occur, and over what duration; and the fact that many of the related risks to the business are totally, or partly, outside the control of the Group.

Economic stagnation, or a deterioration in economic conditions, could result in an increase in impairments to the Group's loan book as a result of customers becoming unable to service debt and/or a reduction in the value of assets on which loans are secured, and declines in the market value of the debt securities held by the Group. Such instability and reduction in asset values could have a material adverse effect on the Group's business, financial condition and/or results of operations.

For the six-month period to 31 January 2024, the Group's annualised, bad debt ratio was 0.9 per cent. There continues to be a risk of further bad debt due to the impact on the Group's customer base of further interest rate rises by the Bank of England, made in response to factors such as macroeconomic inflationary pressures, political uncertainty, impacts on supply chains and global economic uncertainty. The timing, pace and quantum of interest rate rises will be a key factor in the impact on bad debt rates. The Group is alert to the highly uncertain environment and continues to monitor closely the performance of the loan book, including through portfolio reviews, regular forecasting and stress testing undertaken to reflect uncertainties in the economic environment. A range of forward-looking scenarios has been considered, with distinct social and economic assumptions.

Although the broader economic outlook in respect of the COVID-19 pandemic has improved following a global vaccine rollout, the economic trajectory in the short to medium term remains uncertain. Government support measures including the Coronavirus Job Retention Scheme for furloughed workers, which the Group did not utilise, and the Coronavirus Business Interruption Scheme, under which the Group was accredited to lend, provided financial assistance to small and medium-sized enterprises ("**SMEs**") and individuals to help mitigate the impact of COVID-19. Such schemes, in addition to forbearance measures offered to customers by the Group, are likely to have cushioned or delayed potential bad debts. As these schemes have come to an end, there is a risk of increased bad debts with businesses and individuals. The Group continues to remain in close contact with its customers and monitor their circumstances and ability to recommence payments when due.

While the Group's risk management, internal control systems and overall business model are designed to enable it to trade profitably through downturns in the economic cycle, there can be no assurance that the effectiveness of the Group's strategy (or ability to implement its strategy) and the Group's business, financial condition, results of operations and/or prospects will not be adversely affected by future deterioration in economic conditions.

Liquidity and funding risk

Funding risk is the risk that the Group does not have access to sufficient sources of funding to support its client lending whilst maintaining a conservative liquidity position. If the Group is unable to source sufficient funding, this could constrain growth and, in extreme circumstances, require the Group to reduce lending levels. The Group has diversified sources of funding, by type and by tenor, and the cost and availability of these sources continues to fluctuate. Although the Group has historically been able to access sufficient funding from diverse sources to support its operations, there can be no assurance that sufficient funding would always be available to the Group in future, especially under uncertain market conditions.

The Group seeks to manage its liquidity and funding position on a prudent basis, and is required under the applicable Prudential Regulation Authority ("**PRA**") rules to maintain liquid assets equal to at least 100 per cent. of its expected liquidity outflows over a 30-day stress period as well as net stable funding equal to at least 100 per cent. of its net stable funding requirement.

Liquidity risk is the risk that the Group will have insufficient liquidity to meet its liabilities as they fall due, or that the Group can only meet such liabilities at an uneconomic price. A lack of available liquid resources would constrain the Group's ability to conduct its business and pursue its strategic objectives, and would expose the Group to regulatory risk.

The Group holds a significant amount of high quality liquid assets in the form of cash placed on deposit with the Bank of England as well as sovereign and central bank debt and other qualifying high-quality liquid assets. The Group monitors liquidity risk using a variety of measures, including regular stress testing and cash flow monitoring, and reporting to both the Group and divisional board. Despite these measures, there can be no assurance that the Group would always have sufficient liquidity such that the Group's results of operations, financial condition and cash flows could not be materially and adversely affected.

Heightened disruption and volatility in the global financial markets (such as that arising from high inflation and interest rates, the withdrawal of government COVID-19 support schemes, geopolitical uncertainty arising from the conflict in Ukraine and the Israel-Hamas conflict, the failure of banking institutions and supply chain disruption) could have a material adverse effect on the Group, including its ability to access capital and liquidity, particularly in light of increased market competitiveness. The Group's cost of obtaining funding is directly related to the prevailing market interest rates and to its credit spreads. Increases in interest rates and the Group's credit spreads can significantly increase the cost of its funding. Changes in the Group's credit spreads are market-driven and may be influenced by market perceptions of its creditworthiness. Changes to interest rates and the Group's credit spreads occur continuously and may be unpredictable and highly volatile.

The availability of central bank facilities for UK financial institutions, to the extent that they provide the Group with access to more attractive funding than other sources, reduces the Group's reliance on retail or wholesale markets. To the extent that the Group makes use of central bank facilities, any significant reduction or withdrawal of those facilities would be likely to increase the Group's funding costs. In addition, other financial institutions who have relied significantly on governmental support to meet their funding needs will also need to find alternative sources of funding and, in such a scenario, the Group expects to face increased competition for funding, particularly retail funding which the Group utilises. This competition could further increase the Group's funding costs and so adversely impact its results of operations and financial position. The Group's cost of funding could also increase due to changes made to interest rates by the Bank of England in response to prevailing macroeconomic conditions and inflationary pressures.

Each of the factors described above – high inflation and interest rates, the withdrawal of government COVID-19 support schemes, geopolitical uncertainty arising from the conflict in Ukraine, the Israel-Hamas conflict and supply chain disruption – could have a material adverse effect on the Group's ability to access capital, funding and liquidity (whether directly or indirectly).

(B) Legal, regulatory and tax risks

Legal and Regulatory Risk

The Group operates in a highly regulated environment. Following the banking crisis of late 2008, the banking and financial services sector, and the regulatory framework in which it operates, has been and remains under significant regulatory scrutiny.

The nature, effect and impact of future changes (whether currently proposed or actual) in laws, regulations and regulatory policies (including in relation to taxation) are not predictable and are beyond the Group's control, and changes in such laws, regulations and regulatory policies in the jurisdictions in which the Group operates could affect the way the Group conducts business and manages capital and liquidity and may have an adverse effect on the Group's financial condition, results of operations and profitability.

Further details of the legal and regulatory risks to which the Group is subject are set out below:

Capital and liquidity requirements

The Parent Guarantor is subject to capital adequacy requirements adopted by the Prudential Regulation Authority ("PRA") for banks under Regulation (EU) No 575/2013, as it forms part of the domestic law of the UK pursuant to the European Union (Withdrawal) Act 2020 (as amended) (the "EUWA"), including as it has been amended by the laws of England and Wales (the "UK CRR"). Any failure by the Parent Guarantor to comply with the requirements of the UK CRR and associated subordinate legislation and regulatory rules (including as regards capital adequacy and liquidity) may result in the Parent Guarantor being subject to administrative actions or sanctions which may affect its ability to fulfil its obligations.

The UK CRR, together with subordinate legislation and regulatory rules, implements the Basel III regulatory capital framework promulgated by the Basel Committee on Banking Supervision (“BCBS”) between 2010 and 2019. It does not, at present, reflect in full the requirements of the BCBS framework referred to as “Basel 3.1”, although the UK government has committed to implement those elements of the framework by 1 July 2025 (with certain elements, including a risk-weight output floor, being phased in over a planned four and a half year period commencing on that date). In November 2022, the PRA published a consultation paper (CP16/22) setting out its proposed approach to implementing Basel 3.1, and at the same time HM Treasury also published a consultation paper on the technical and legislative changes required to facilitate the PRA’s implementation of Basel 3.1. The consultation paper indicates that the UK’s implementation will be substantively aligned with the approach advocated by the BCBS. HM Treasury’s approach to the implementation of Basel 3.1 will involve the revocation of some elements of the UK CRR and their replacement with rules made by the PRA. It is also expected that in the future the UK CRR may be repealed in full, and its requirements transcribed into regulatory rules, as part of proposed post-Brexit reforms to the regulation of financial services in the United Kingdom.

The Group is required to maintain certain capital ratios by applicable law, regulation and guidance. These capital ratios express the ratio between required capital resources and risk-weighted assets. Certain events are likely to affect the Group’s capital ratios in differing ways. The Group has disclosed its capital ratios under the transitional and fully loaded arrangements set out in the UK CRR. If Basel 3.1 is implemented as proposed, the Group’s risk-weighted assets could, as a result of the proposed changes in the applicable methodologies for calculating risk-weights, once fully phased-in, increase by up to 10 per cent. The Group believes that it has sufficient management actions available to address this impact should the Basel 3.1 proposals remain unchanged. In addition, to calculate regulatory capital requirements for credit risk, the Group is transitioning to the Internal Ratings Based approach, which is a supervisor-approved method using internal models, rather than standardised risk weightings. The Group’s initial application to the PRA was made in December 2020 and is continuing through Phase 2 of the review process. Additional documentation has been submitted to the regulator and engagement continues. The Group’s Motor Finance, Property Finance and Energy portfolios, where the use of models is most mature, were submitted with the initial application, with work on subsequent portfolios in progress. There is a risk that the transition may impact the Group’s capital ratios in the short-term and increase the volatility of such capital ratios going forward.

Risks arising from the FCA’s review of historical motor finance commission arrangements may impact the Group’s capital position in the future; see *“Historic commission arrangements with intermediaries on the Group’s Motor Finance Products”* for further details. The Board of Directors of the Ultimate Parent has identified actions which seek to mitigate these risks including, but not limited to, the decision to not pay any dividend payments in the financial year ending 31 July 2024 (the **“2024 Financial Year”**), optimising risk-weighted assets growth and significant risk transfer of assets. The Board of Directors of the Ultimate Parent, has taken a prudent approach to capital management and has announced that it will not pay dividends for the 2024 Financial Year, and the reinstatement of dividends in the financial year ending 31 July 2025 (the **“2025 Financial Year”**) and beyond to be reviewed once the FCA concludes its review and the potential financial impact on the Group, if any, has been assessed. This decision will build further capital strength and ensure that a strong balance sheet is maintained. The Board of Directors of the Ultimate Parent also plans to reduce risk weighted asset growth by

approximately £1 billion through a combination of selective loan book growth, partnerships and significant risk transfer of assets related to its Motor Finance business through securitisations. Furthermore, additional cost management initiatives are expected to generate annualised savings of approximately £20 million by the financial year ending 31 July 2026. The decision not to pay dividends in the 2024 Financial Year, combined with these management actions, could strengthen the common equity tier 1 capital (“CET1”) by £400 million by the end of the 2025 Financial Year when compared to the projected CET1 capital ratio for 31 July 2025, prior to any management actions. However, there can be no assurance that these measures will be effective in mitigating this risk and any impact of the FCA’s review on the Group’s capital position could have a material adverse effect on the Group’s business, financial condition and/or results of operations.

Effective management of the Group’s capital position is important to its ability to operate its business. Any future legislative, regulatory or policy changes that limit the Group’s ability to manage its balance sheet and capital resources effectively, or to access funding on commercially acceptable terms, could have a material adverse effect on the Group’s business, financial condition and/or results of operations.

In connection with the special resolution regime (the “**SRR**”), and in order to support the Bank of England’s preferred resolution strategy for each resolution entity or group under its supervision, firms (including the Group) are required to maintain a minimum requirement for own funds and eligible liabilities (“**MREL**”). The MREL requirement is, broadly, split into two components: a loss absorption component (comprising the firm’s capital requirement, to be met with own funds instruments) and, if applicable, a recapitalisation component (to be met with additional loss-absorbing capacity, including ‘eligible liabilities instruments’). The MREL requirement for a firm depends, in part, upon the Bank of England’s preferred resolution strategy for that firm. See also “*Risks relating to the Banking Act 2009*” below.

As at the date of this Prospectus, the Bank of England’s preferred resolution strategy for the Group is ‘modified insolvency’. Accordingly, the recapitalisation component of the Group’s MREL requirement is presently set at nil. As such, the Group’s MREL requirement does not presently exceed its own funds (capital) requirement, however future balance sheet growth may lead to the Group’s MREL requirements being set in excess of its own funds (capital) requirements. It remains possible that the Bank of England could decide to take a different approach in relation to the Group and/or change its preferred resolution strategy in the future. It is difficult to predict the full effect of such changes on the Group if they take place. However, the future changes of the preferred resolution strategy may limit or restrict the execution of the Group’s strategy and may have an adverse effect on the Group’s business, capital and funding structure, financial condition, results of operations and/or prospects, and may increase compliance costs.

The Group is subject to the emerging risks associated with climate change

The risks associated with climate change continue to be a key focus area, both in the UK and internationally, from governments, regulators, activist organisations and large sections of society, including the Group’s various stakeholder groups. The Group continues to focus on climate change considerations and to progress in embedding an appropriate and regulatory-compliant climate risk framework (the “**Framework**”) which is overseen by the Group’s Sustainability and Climate Committee. The Framework facilitates a consistent application of all

features of the Group's risk management approach to the risks associated with climate change. This extends to both the physical risks, which are considered a cross-cutting risk impacting across the Group's suite of principal risks, as well as transitional risks, which are additionally measured and monitored in line with its emerging risks. The Group continues to mature the Framework and ensure appropriate governance and oversight.

The Financial Stability Board's Taskforce on Climate-related Financial Disclosures ("**TCFD**") provides a suite of recommendations for consistent climate-related financial risk disclosures in mainstream company filings. The Group has published climate disclosures consistent with the TCFD recommendations.

In assessing both the risks and opportunities of climate impacts and in preparing its TCFD disclosures, the Group has sought to provide sufficient granularity, proportionate to the materiality of the climate-risks identified. The Group's work identifying, assessing and reporting the impacts of physical and transitional climate-related risks and opportunities over a range of time horizons enables the Group to react to any potential effect on its operating results, financial condition and prospects. The Group's analysis of climate related risks to date indicates that it is not materially exposed to loss or disruption over the short to medium term. In respect of physical risk, the Group considers that any severe impacts are not likely to materialise in the short-term, although it does recognise that there is evidence of acute physical events already happening around the world. Over the medium to longer term, increased risks have been identified, primarily driven by transitional impacts such as changes to regulation, policy, technologies and customer appetites, but also by extreme variability in weather patterns, increasing incidence and severity of physical impacts, which could have a material adverse effect on the Group's operating results, financial condition and prospects.

The alignment of the Group's risk management framework with climate-related risks and opportunities remains a priority to ensure that the Group can support its customers with appropriate financing solutions as they develop and deliver their own transition plans. This will also ensure the Group is well-placed to deliver upon its climate-related commitments and meet the expectations of other key stakeholder groups.

Consumer Credit Regulation

Firms carrying on regulated consumer credit activities must comply with the relevant provisions of FSMA and related secondary legislation, the FCA Handbook's Consumer Credit Sourcebook ("**CONC**") and the provisions of the Consumer Credit Act 1974 (the "**CCA**") and related secondary legislation which have been retained following the transfer of the regime from the Office of Fair Trading to the FCA in accordance with provisions under the Financial Services Act 2012. Failure to hold the appropriate Part IV of FSMA permissions to carry on regulated activities in respect of consumer credit activities or to comply with prescriptive requirements regarding the form and content of credit agreements and the issuance of certain post-contract documentation, may render an agreement unenforceable or require a firm to provide financial redress in respect of interest payments or charges collected during any period of non-compliance (under the CCA regime) or require a firm to repay all money paid under the credit agreement and compensate the customer for any losses suffered (under the FSMA regime). In addition, failure to comply with the FCA's CONC rules and / or any other provisions of the FCA Handbook may lead to a firm being required to provide financial redress and/or be subject to

regulatory enforcement action, which in some cases could affect a firm's ability to recover relevant debts. FSMA and the Financial Services Act 2012 also provides for formalised co-operation to exist between the FCA and the Financial Ombudsman Service ("**FOS**") (which determines complaints by eligible complainants in relation to authorised financial services firms and certain other businesses), particularly where issues identified potentially have wider implications with a view to the FCA requiring firms to operate consumer redress schemes.

In June 2022, HM Treasury announced its intention to reform the UK consumer credit regime by bringing many of the requirements of the CCA within the FCA's Handbook of rules and guidance. Any such changes could have an adverse effect on the Group's operating results, financial condition and prospects.

Three subsidiaries of Close Brothers Limited are authorised by the Central Bank of Ireland (the "**CBI**") to carry on certain consumer lending activities in the Republic of Ireland. Close Brothers Premium DAC is authorised as a high cost credit provider and each of Close Brothers DAC and Bluestone Motor Finance (Ireland) DAC (which was acquired by the Group in 2023) is transitionally authorised as a retail credit firm by the CBI. Accordingly, the Group is also subject to supervision and regulation by the CBI in relation to its consumer lending activities in the Republic of Ireland. Failure by the Group to comply with any consumer credit requirements as prescribed by the CBI may lead to the Group being required to provide financial redress and/or be subject to regulatory enforcement action.

Possible impact of regulatory change

The resolution of a number of issues, including regulatory investigations and reviews and court cases, affecting the financial services sector in the markets in which the Group operates could have an adverse effect on the Group's operating results, financial condition and prospects, or its relations with its customers and potential customers.

The UK government has recently proposed to enhance the powers of the Competition and Markets Authority (the "**CMA**") in relation to consumer protection powers, and the CMA is also considering a number of policy issues that may impact financial services, for example "loyalty penalties" and the impact of digitalisation on consumer outcomes. There is the potential that the CMA and FCA (which have concurrent competition powers in financial services) take different stances on certain policy issues in these spheres.

Regulatory focus and prioritisation of conduct risk continues to increase. In particular, the FCA has finalised rules and guidance relating to the treatment of vulnerable customers and published its final rules implementing a new "consumer duty" (the "**Consumer Duty**") as one of its Principles for Business. The Consumer Duty applies from 31 July 2023 for new and existing products and services that are open to sale or renewal and will formally apply from 31 July 2024 for closed products and services. The Consumer Duty has three elements: (i) a consumer principle that provides a high-level expectation of conduct (namely, that a firm must act to deliver good outcomes for retail clients); (ii) a set of overarching cross-cutting rules which develop and amplify the standards of conduct that the FCA expects under the consumer principle; and (iii) a suite of rules and guidance setting more detailed expectations for a firm's conduct according to the four specific outcomes that represent the key elements of the firm and its consumer relationships (communications, products and services, price and value and customer service). Firms are required to monitor, evidence and report against many of the

Consumer Duty requirements. There may be added costs associated with making the necessary changes to ensure compliance with the Consumer Duty and an increased risk of customer complaints and / or action if the Group fails (or is perceived to have failed) to do so. The implementation of this framework has required a review of the Group's retail products and services, alongside related policies, systems and procedures. In response to the Consumer Duty, the Group has implemented a programme with objectives and key deliverables directly aligned to the Consumer Duty requirements. Examples of workstreams include completing fair value assessments and enhanced product reviews, developing enhanced training, enhancing customer communications where necessary, and enhancing the Group's data to ensure it can effectively monitor outcomes. The Group's focus is now on continuing to embed its compliance with Consumer Duty requirements and implementing Consumer Duty changes for books of business not open to new customers. However, given the relative novelty of the requirements, the costs and other impacts arising from the Consumer Duty remain uncertain. The regime may affect elements of the Group's business model and strategy, the products and services it offers and the pricing or costs of those products and services, which may in turn affect the revenue and profits that the Group is able to generate. It may result in an increase in civil litigation or claims to the FOS by customers alleging a breach of the Consumer Duty or in regulatory action by the FCA. The retail markets in which the Group's products are distributed may also be affected generally by all regulated retail firms having to implement this framework. Although the Consumer Duty will not apply retrospectively, there is a risk of an adverse impact on the Group's business if it fails to comply with the new rules both reputationally and due to any penalties imposed by the FCA. The FCA's business plan for 2023/24 included amongst its priorities, sector-specific supervisory work relating to implementation of the Consumer Duty. Conduct risk considerations arising from the FCA's review of historical motor finance commission arrangements will be kept under review as the situation develops. See "*Historic commission arrangements with intermediaries on the Group's Motor Finance Products*" for further details.

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 introduced from May 2021 the ability for individuals to apply for a breathing space or mental health crisis moratorium during which creditors may not demand payment of interest or fees that accrue or enforce a debt owed by the applicant. Changes to the UK corporate insolvency regime were introduced through the Corporate Insolvency and Governance Act 2020, including a pre insolvency moratorium process for corporates in financial difficulty to give a period of time to seek a rescue or restructure and a new restructuring plan insolvency procedure to enable debt restructures. Potential future changes, including the UK government's recently announced commitment to reform the CCA, all have the potential to impact on the Group's earnings, and workstreams have been established to ensure the Group can meet these requirements.

Changes in supervision and regulation, in particular in the UK, could materially affect the Group's business, the products and services it offers, the value of its assets and its ability to respond to the requirements of the relevant UK regulatory authorities.

The Group monitors regulatory developments and engages in dialogue with regulatory authorities on a regular basis and continues to maintain a conservative model with a strong, well-capitalised balance sheet, and believes it is well placed to react to regulatory change. Each of the Group's regulated businesses has a dedicated compliance officer who is responsible for supporting the business in meeting its regulatory compliance obligations. In addition, risk-based monitoring reviews are used to assess compliance. The activities of these compliance professionals are co-ordinated and overseen on a Group-wide basis by the Group Head of Compliance to whom they report. Despite these measures, there can be no assurance that the

Group's financial performance will not be adversely affected should unforeseen events relating to legal and regulatory risk arise in the future.

As the Group offers products to customers in a number of industries which are regulated, any changes in the regulatory environment for those industries may also have a material adverse effect on the Group's business, profitability, financial condition and prospects. For example, changes in regulation affecting the businesses of customers to which the Group provides financing could potentially negatively impact the ability of such customers to service their loans and so reduce the value of the underlying asset.

The Financial Services and Markets Acts 2023 ("**FSMA 2023**") received Royal Assent on 29 June 2023. FSMA 2023 enables HM Treasury to revoke EU law relating to financial services and the FCA and PRA to replace it with legislation and regulatory rules. This process may result in material changes to the UK regulatory regime which could impact aspects of the Group's business model and strategy, which may in turn affect the revenues and profit of the Group.

Financial Services Compensation Scheme

The Parent Guarantor, by virtue of being a PRA-authorised deposit taker, contributes to the Financial Services Compensation Scheme ("**FSCS**") which provides compensation to eligible customers of financial institutions in the event that an institution is unable, or is likely to be unable, to pay claims against it. The FSCS raises annual levies from the banking industry to meet its management expenses and compensation costs and individual institutions make payments based on their level of market participation.

Whilst it is anticipated that the substantial majority of any compensation claims will be repaid wholly from recoveries from the institutions concerned, in the event of a shortfall, the FSCS may place additional levies on all FSCS participants, which may be in significant amounts and have a material impact on the Group's profits.

In December 2022, the FCA published a feedback statement (FS22/5) as a result of a review it was undertaking on the purpose, scope and funding of the FSCS. The feedback statement ultimately concluded that no material change was required at this time. The FCA did, however, note that it would continue to undertake work reviewing the FSCS, including reviewing the causes of the high FSCS compensation costs and the funding class thresholds to ensure they remain appropriate.

Further reform initiatives may also result in changes to the FSCS which could result in additional costs and risks for the Group. It is possible that future policy of the FSCS and future levies on the firms authorised by the FCA or the PRA may differ from those at present. The Group may incur additional costs and liabilities as a result of such changes, or any further related changes which may be made, which may adversely affect its operating results, financial condition and prospects.

Legal and Compliance Risk

Historic commission arrangements with intermediaries on the Group's Motor Finance Products

The Group has operated in the motor finance market for a number of years. Prior to 2016, the Group operated an upward difference in charges model, which allowed the dealer or broker full discretion over the customer rate and the commission earned on point-of-sale finance, subject to a hard cap on the amount of commission. Under the difference in charges model, commission, if any, was paid as a percentage of the total interest paid by the customer. From 2016, the Group introduced a downward scaled commission model, which capped both the interest charged to the customer and commission paid to the dealer or broker, which meant that the Motor Finance business set the headline rate for the customer and the dealers could only reduce this by decreasing their level of commission. Under the downward scale commission model, commission, if any, was paid as a percentage of the loan size. From 2021 onwards, a risk adjusted pricing model was adopted, which adjusted the rate according to the customer risk profile, removing dealer discretion entirely. Under the risk adjusted pricing model, commission, if any, is paid as a fixed percentage of the loan size.

In common with a number of motor finance providers, the Group has received a number of complaints in relation to its operations in the motor finance market, some of which are with the FOS, and is subject to a number of claims through the courts regarding historic commission arrangements with intermediaries on its motor finance products. This follows the FCA's Motor Market Review in 2019.

On 11 January 2024, the FOS published its first two decisions upholding customer complaints relating to discretionary commission arrangements against two other lenders in the market and instructed them to pay compensation to the complainants if they accepted the outcome. On the same day, recognising that these decisions were likely to significantly increase the number of complaints to motor finance providers and the FOS, risking disorderly and inconsistent outcomes as well as market instability, the FCA released policy statement PS 24/1 which introduced temporary changes to handling rules for motor finance complaints until at least September 2024. This means that firms will not have to respond to these complaints within the normal time limits. This was to allow the FCA time to carry out diagnostic work to determine whether or not there has been widespread failure to comply with regulatory requirements which has caused customers harm and, if so, whether it needs to take any action. The FCA has indicated that such steps could include establishing an industry-wide consumer redress scheme and/or applying to the Financial Markets Test Case Scheme, to help resolve any contested legal issues of general importance. The FCA aims to communicate a decision on next steps by the end of September 2024.

There is significant uncertainty about the outcome of the FCA's review, and the timing, scope and quantum of any potential financial impact of the Group, if any, cannot be reliably estimated at present.

While there is no certainty regarding any potential impact as a result of the FCA's review or otherwise relating to these claims and complaints, the Board of Directors of the Ultimate Parent has taken a prudent approach to managing its financial resources and building capital strength. As a result, the Board of Directors of the Ultimate Parent took the decision not to pay any dividends on its ordinary shares for the 2024 Financial Year and will review the reinstatement of dividends in the 2025 Financial Year and beyond once the FCA has concluded its process and any financial consequences have been assessed. The Board of Directors of the Ultimate Parent expects the decision not to pay dividends, combined with other capital management actions,

could strengthen available Common Equity Tier 1 capital by approximately £400 million by the end of the 2025 Financial Year when compared to the projected CET1 capital ratio for 31 July 2025, prior to any management actions.

Nonetheless, given the uncertainty associated with the FCA's market-wide review of historic discretionary commission arrangements, reputational risk is heightened. Depending on the outcome of the FCA's review, complaints and claims in relation to matters subject to the FCA's review may result in an obligation to compensate customers, which may in turn affect the revenues, profit and reputation of the Group.

Customer Forbearance in relation to the Group's Motor Finance Lending

Following discussions with the FCA in relation to its market wide review of Borrowers in Financial Difficulty ("**BiFD**"), which assessed forbearance and related practices, the Group is currently conducting a Past Business Review of customer forbearance related to its motor finance lending. The review is expected to conclude by the end of the 2024 Financial Year, with any subsequent potential customer compensation to follow. While the Group cannot definitively ascertain the quantum of any potential customer compensation at this stage, the Group currently estimates the quantum to be single-digit millions. Any negative publicity or obligation to compensate customers arising out of the FCA's review of BiFD may affect the revenues, profit and reputation of the Group.

Compliance with current legislation and regulation applicable to the Group

The Group is exposed to risks associated with current legislation and regulation, which may arise in a number of ways. Primarily:

- the Bank of England, the FCA, the PRA, HM Treasury, the FOS, the courts, the CMA, the CBI or other regulators outside the UK may determine that the Group is not conducting certain aspects of its business in accordance with applicable laws or regulations, or, in the case of the FOS, with what is fair and reasonable in the FOS's opinion;
- the Group holds accounts for entities that might be or are subject to interest from various regulators, including the UK's Serious Fraud Office, those in the U.S. and others. The Group is not aware of any current investigation into the Group as a result of any such enquiries, but cannot exclude the possibility of the Group's conduct being reviewed as part of any such investigations;
- the Group may be liable for damages to third parties harmed by the conduct of its business; and
- the Group is subject to rules and regulations related to the prevention of money laundering, bribery and terrorist financing and financial sanctions and any failure to comply with such rules and regulations may result in regulatory action or damage the reputation of the Group.

Failure to comply with the wide range of laws and regulations which apply to the Group could have a number of adverse consequences for the Group, including the risk of:

- substantial monetary damages, fines or other penalties, the amounts of which are difficult to predict and may exceed the amount of any provisions set aside to cover such risks, in addition to potential injunctive relief;
- regulatory investigations, reviews, proceedings and enforcement actions;
- regulatory interventions such as being required to amend sales processes, product and service terms and disclosures, withdraw products or provide redress or compensation to affected customers;
- the Group either not being able to enforce contractual terms as intended or having contractual terms enforced against it in an adverse way;
- civil or private litigation (brought by individuals or groups of individuals or claimants as a class or as a bulk proceeding) in the UK and other jurisdictions (which may arise out of regulatory investigations and enforcement actions or customer complaints);
- criminal enforcement proceedings; and
- regulatory restrictions on the Group's business,

any or all of which (i) could result in the Group incurring significant costs, (ii) may require provisions to be recorded in the Group's financial statements, (iii) could negatively impact future revenues from affected products and services, and (iv) could have a negative impact on the Group's reputation and the confidence of customers in the Group, as well as taking a significant amount of management time and resources away from the implementation of the Group's strategy. Regulatory restrictions could also require additional capital and/or liquidity to be held. Any of these risks, should they materialise, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks relating to regulatory intervention

In addition to the risk "*Historic commission arrangements with intermediaries on the Group's Motor Finance Products*" detailed above, there is an ongoing risk that a regulator may identify further industry-wide issues and seek to address such issues through direct intervention, in a similar way to which regulators have intervened in recent years to seek to address industry-wide misselling issues in respect of payment protection insurance. Such interventions could result in litigation (including claims management company-driven legal campaigns) and/or enforcement action which could cause significant direct costs or liabilities and/or changes in the practices of the Group's businesses which may have an adverse effect on the Group's business, financial condition and/or results of operations.

Related to the wider risk of regulatory intervention, the Financial Services and Markets Act 2000 (Designated Consumer Bodies) Order 2013 (the "**Order**") was made on 16 December 2013 and came into force on 1 January 2014. The Order designates the National Association of Citizens

Advice Bureaux, the Consumers' Association, the General Consumer Council for Northern Ireland and the National Federation of Self Employed and Small Businesses as consumer bodies that may submit a super-complaint to the FCA on behalf of consumers of financial services where it considers that a feature, or a combination of features, of the market for financial services in the UK is seriously damaging the interests of these customers. Complaints about damage to the interests of individual consumers will continue to be dealt with by the FOS. If a super-complaint is made against the Group by a designated consumer body under this Order, any response published or action taken by the FCA could have a material adverse effect on the Group's business, results of operations and prospects.

In addition, unforeseeable legal and regulatory actions or developments pose a number of risks to the Group, including substantial monetary damages or fines. It is difficult to quantify potential liability and any estimates will be uncertain. Amounts which the Group is eventually liable to pay may be materially different to the amount of provisions set aside to cover such risks, or existing provisions may need to be materially increased to cover such risk or in response to changing circumstances. Any adverse outcomes or decisions in any such matters could result in significant losses to the Group which have not been provided for. Such losses would have an adverse impact on the Group's business, financial condition and results of operations.

Although the Issuer is not currently aware of any material failure to comply with applicable laws, regulations, rules and other conduct guidance, were such a failure to occur it could result in investigations, enforcement, licensing actions or other action that may lead to fines or suspension or termination of the Group's authorisations, permissions and/or licences. In addition, such failure to comply, revocation of an authorisation, permission or licence, or any actions by the Group may damage the reputation or increase the compliance risk and conduct risk for the Group. Any of these developments could have a material adverse effect on the Group's ability to conduct business and on the Group's financial condition, financial returns or results of operations.

While the Group continues to invest significantly in both staff and operating systems to ensure the Group remains well placed to respond to changes in regulation, the anti-money laundering, anti-bribery and anti-terrorist financing laws and regulations to which the Group is subject have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of enhanced government supervision.

Risks associated with changes to the legal and regulatory frameworks to which the Group is subject

The Group faces risks associated with an uncertain and changing legal and regulatory environment (including in relation to the UK government's current proposals to reform UK financial services regulation post-Brexit). At both a national and European (or wider) level, existing laws and regulations may be amended, or new laws and regulations may be introduced, which could affect the Group by, for example:

- resulting in the need for increased operational and compliance resources to ensure compliance with the new or amended laws and regulations;

- restricting the customer base to which the Group's products or services can be offered; or
- restricting the products or services which the Group can provide.

Any of these results could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Following the UK's departure from the European Union (referred to as "**Brexit**"), the extent to which the UK may decide to diverge from existing EU standards (including as they have been implemented in UK law and regulation) over time, remains unclear. Significant regulatory divergence between the respective UK and EU regulatory regimes applicable to the Group's operations may result in additional regulatory burdens on the Group and may negatively impact business operations. Depending on the specific nature of any regulatory divergence, such divergence could result in significant additional expense and potentially increased compliance risk and may therefore have a material adverse effect on the Group's performance, business, results or financial condition.

In addition, changes to the regulatory authorities' approaches and expectations may result in increased scrutiny of the Group's compliance with existing laws and regulation, which may further result in the Group needing to change its internal operations, at increased cost. For example, the high level of scrutiny of the treatment of customers by financial institutions from regulatory bodies, the press and politicians may persist and the FCA may continue to focus on retail conduct risk issues as well as conduct of business activities through its supervision activity which could result in higher expectations, or a different interpretation, of what is required to demonstrate compliance with conduct of business standards in certain markets.

Pensions Risk

Pensions risk is the potential for loss due to having to meet an actuarially assessed shortfall in the Group's pension schemes. Pensions risk exposure is focussed upon the risk to the Group's financial position which arises from the need to meet its pension scheme funding obligations. In the event of a shortfall, the Group may be required, or may choose, to make additional payments to the Group's pension schemes which, depending on the amount, could have a material adverse effect on the Group's business, results of operations and prospects.

The UK Pensions Regulator has the power to issue a financial support direction to companies within a group in respect of the liability of employers participating in the UK defined benefit pension plan where that employer is a service company, or is otherwise "insufficiently resourced" (as defined for the purposes of the relevant legislation). Such a financial support direction could require the companies to guarantee or provide security for the pension liabilities of those employers, or could require additional amounts to be paid into the relevant pension schemes in respect of them.

The Group's defined benefit pension scheme was closed to new entrants in August 1996. In September 2022, the scheme's trustees agreed terms for a buy-in with a regulated insurer. A buy-in is effectively the purchase of an insurance policy that forms part of the scheme's assets and pays an income equal to the members' benefits. The ultimate obligation to pay the

members' benefits remains with the scheme but the insurance policy significantly de-risks the Group's balance sheet from future contributions.

Tax Risk

Tax risk is the risk of loss arising from changes in tax legislation or practice or the Group's interpretation or application of applicable tax legislation materially differing from the interpretation or application of such tax legislation by the relevant tax authorities. Changes in the basis of taxation, including as a result of government policy changes, could materially impact the Group's performance or performance of its obligations under the Notes. In addition, the Group is subject to periodic tax audits which could result in additional tax assessments relating to past periods of up to six years being made. Any such assessments could be material which might also affect the Group's financial condition in the future.

(C) Business risks

The Issuer is a finance vehicle

The Issuer's primary business is the raising of money for the purpose of on-lending to other members of the Group. The Issuer is not an operating company. The Issuer is a special purpose vehicle with no business other than issuing Notes.

Substantially all of the Issuer's assets are loans and advances made by the Issuer to other members of the Group. The Issuer is, therefore, dependent upon other members of the Group paying interest on, and repaying, their loans in a timely fashion. If any member of the Group failed to pay interest on, or repay, any loan in a timely fashion, this could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Notes. It is for this reason the Notes are guaranteed. By virtue of its dependence on other Group members, each of the risks described below that affect the Parent Guarantor will also indirectly affect the Issuer.

Risk Management

Effective risk management is integral to the Group's activities and business model. Risk reflects the probability that a situation may lead to financial, physical or reputational damage or loss, and is incurred through various sources including credit risk (retail and wholesale), market risk, operational risk, securitisation risk, concentration risk, liquidity and funding risk, reputational risk, strategic risk, pension obligation risk, residual value risk and legal and regulatory risk. The Group employs a broad and diversified set of risk monitoring and risk mitigation techniques, including an Enterprise Risk Management Framework, which details the core risk management components and structures used by the Group and provides the board and senior management with oversight of the Group's financial position as well as the risks that may adversely affect it. The risk management framework and associated governance arrangements are designed to ensure a clear organisational structure with distinct, transparent and consistent lines of responsibility and effective processes to identify, manage, monitor and report the risks to which the Group is, or may become, exposed. On an annual basis, the board reviews the effectiveness of the Group's risk management and internal control systems. However, such techniques, and the judgements that accompany their application, cannot anticipate every unfavourable event or the specifics and timing of every outcome. Accordingly, the Group's ability

to successfully identify and balance risks and rewards, and to manage all material risks, is critical. Failure to manage such risks appropriately could have a significant adverse effect on the Group's business, financial condition and/or results of operations.

Reputational Risk

The Parent Guarantor considers a loss of reputation to be a significant risk to the Group's businesses. The Parent Guarantor sees reputational risk as the risk of detriment to stakeholder perception of the Group, leading to impairment of the business and its future goals, due to any action or inaction of the Group, its employees or associated third parties. Risk to the Group's reputation can arise from numerous sources, including (but not limited to) breaching or facing allegations of having breached legal and regulatory requirements (including sanctions, anti-bribery, money laundering and anti-terrorism financing requirements), failing to appropriately address potential conflicts of interest, employee misconduct, provision of inappropriate products or services, technology failures that impact upon customer service and accounts or the failure of intermediaries or third parties on whom the Group's businesses rely, failing to properly identify legal, reputational, credit, liquidity and market risks inherent in products offered or generally poor business performance. In addition, how the Group's businesses are perceived to have supported their members, customers, employees and suppliers (as applicable) through periods of economic downturn and cost of living difficulties, as well as the Group's perceived conduct as a responsible and sustainable business, could have a material effect on the Group's brand and reputation, particularly at a time of heightened public interest in businesses taking a proactive, responsible approach to their operations, products and services.

The FCA's market-wide review of historic discretionary commission arrangements has attracted increased media speculation and increased the Group's reputational risk. While the outcome of the FCA's review remains uncertain, the Group expects this reputational risk will remain heightened.

The Group places significant importance on product governance and risk management at all levels of the organisation, and strives to demonstrate the highest level of integrity in all its activities, dedicating significant senior management time and other resources to ensure all employees are aware of the need to display the highest ethical standards in their day to day work. While the Group is exposed to risks relating to the operation and conduct of third parties' intermediary sales teams, ongoing rigorous due diligence is undertaken both through assurance reviews and customer complaint management.

The Group recognises that the ability to attract and retain customers and conduct business with its counterparties could be adversely affected if the Group's reputation or the Close Brothers brand is damaged. Failure to address, or appearing to fail to address, issues that give rise to reputational risk could damage the Parent Guarantor's reputation or the reputation of the Issuer and its Subsidiaries and materially and adversely affect the Group's business, financial condition, results of operations and prospects and could damage its relationships with its regulators.

Corporate transaction activity and integration of acquisitions

The Group evaluates and enters into corporate transactions (including acquisitions, investments

and divestments) where it considers that such transactions align with its strategy and will enhance its services and increase the value of the business in the long term. However, given the inherent uncertainty involved in such corporate transactions, there can be no assurance that the Group will be able to identify suitable targets for acquisition or divestment or to implement its strategy in this area on favourable terms or at all, and there could be an adverse impact on the Group's businesses, results of operations and financial position as a result.

In particular, the Group has completed a number of acquisitions in the past and it may make further acquisitions of businesses in the future. New growth initiatives and potential acquisitions are assessed against both the Group's strategic objectives and its Model Fit Assessment Framework, to ensure consistency with the Group's strategic priorities and the key attributes of its business model. The corresponding risks may include delays and challenges which could arise in the process of integrating the acquired businesses into the Group. There can be no assurance that the Group has anticipated all problems associated with the acquired businesses, or that all potential losses associated with such acquired businesses, or with any businesses which may in future be acquired by the Group, may come to light prior to the expiration of any warranty and indemnity protections. The Group's businesses, results of operations and financial position could be adversely affected should there be any failure in the Group's due diligence of the operating and financial condition of these acquired businesses, or their integration into the Group's operations.

Competition Risk

The market for UK financial services is highly competitive and the Group experiences competition from traditional and new players, varying in both nature and extent across its businesses. Such competition may be expected to intensify in response to competitor behaviour, consumer demand, technological changes, the impact of consolidation, changing consumer habits as a result of wider market volatility, regulatory actions and/or other factors. The Group competes mainly with other providers of finance services and fintech providers. If the Group is not successful in implementing its strategy and retaining and strengthening customer relationships, its financial condition and results of operations may be materially and adversely affected by competition, including pricing competition or competition for savings.

Credit/counterparty Risk

The Group places deposits with, and may hold debt securities of, financial institution and non-banking financial institution counterparties, and such deposits and holdings of debt securities may be material in amount. The Group also enters into derivative contracts with counterparties, which create an exposure through the life of those contracts. These derivative contracts are vanilla in nature and cash collateral is paid and/or received on a daily basis. While some of these amounts may be material, the counterparties are all regulated institutions with investment grade credit ratings assigned by international credit rating agencies and fall within the large exposure limits set by regulatory requirements. The credit quality of the counterparties with whom the Group places deposits, whose debt securities the Group holds, and with whom the Group transacts, is continuously monitored by the risk and compliance committees within the Group against established limits. The Group seeks to reduce its exposure to counterparty risks by holding the majority of excess liquidity through cash and balances at central banks (£1,658.5 million of £2,185.2 million treasury assets as at 31 January 2024). There can, however, be no

assurance that the Group would not incur financial loss if any such counterparties were to default or fail.

Credit risk across the Group mainly arises through lending activities. The Group remains exposed to credit losses if customers are unable to repay loans and any outstanding interest and fees. Failure to recover the amounts lent or the interest and fees associated with those loans or inability to recover from third parties under other arrangements treated as security for those loans could result in a bad debt charge. Other factors, such as rising and sustained high interest rates, combined with heightened market uncertainty and prevailing macroeconomic factors, including geopolitical uncertainty arising from the conflict in Ukraine, supply chain disruption, increased energy prices and rising inflation and interest rates, may also contribute to increased delinquencies in outstanding loans.

The Group seeks to maintain the discipline of its lending criteria both to preserve its business model and maintain an acceptable return that appropriately balances risk and reward. This is underpinned by a strong customer focus and credit culture that extends across people, structures, policies and principles. This in turn provides an environment for long-term sustainable growth and low, predictable loan losses.

To support this approach, the Group maintains a credit risk appetite framework in order to define and align credit risk strategy with its overall appetite for risk and business strategies as defined by the board. The Group Credit Risk Appetite Statement ("**CRAS**") outlines the specific level of credit risk that the Group is willing to assume, utilising defined quantitative limits and triggers, and covers both credit concentration and portfolio performance measures; these are based on the following key principles:

- To lend within asset classes the Group is familiar with, and in markets it knows and understands.
- To operate as a predominantly secured, or structurally protected, lender against identifiable and accessible assets, and maintain conservative loan-to-value ("**LTV**") ratios across its portfolios.
- To maintain a diversified loan portfolio (by business, asset class and UK geography), as well as a short average tenor and low average loan size.
- To rely on local underwriting expertise, with authority delegated from the Risk Committee, with ongoing central oversight.
- To maintain rigorous and timely collections and arrears management processes.
- To operate strong control and governance within the lending businesses overseen by a central group credit risk team.

Notwithstanding the Group's mitigation of this risk, counterparty risk and credit risk could adversely affect the Group's business, financial condition, results of operations and/or prospects.

Foreign Exchange Risk

The Group has a restricted appetite for foreign exchange risk. It avoids large open positions and sets individual currency limits to mitigate the risk.

The Group recognises the extent to which its financial reporting (primarily balance sheet and profit and loss account) is affected by exchange rate movements. Translating foreign assets and liabilities from foreign to domestic currency may not affect the Group's cash flows, but may have an impact on the Group's reported earnings. The majority of the Group's activities are located in the British Isles and are transacted in Sterling.

The Group does, however, have material currency assets and liabilities primarily due to its euro lending and borrowing activities, which include deposit taking.

Foreign exchange risk is incurred across the Group and arises from:

- managing funding requirements through deposit gathering and wholesale funding, and managing the associated foreign exchange risks;
- conducting foreign exchange payment services on behalf of the Group; and
- non-sterling investments.

The Group's policy is to match currency assets and liabilities as closely as possible, by value and term, or with derivatives where necessary and to repatriate profits to Sterling on a regular basis. Failure to adequately manage fluctuations in the exchange rate between currencies may negatively affect the Group's earnings and value of the Group's assets and securities.

Interest rate risk

Interest rate risk exists in interest-bearing assets (and liabilities), such as loans, due to the possibility of a change in the assets value, or income, resulting from a change in interest rates.

The Group's policy is to match repricing characteristics of assets and liabilities, naturally where possible, or by the use interest rate swaps to secure the margin on its loans and advances to customers. Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected by unforeseen events relating to interest rate risk in the future. Interest income is a substantial proportion of the Group's revenues and movements in interest rates, which are impacted by factors outside of the Group's control, including the fiscal and monetary policies of governments and central banks, as well as UK and international political and economic conditions, have the potential to materially affect the Group's earnings.

Reference rates and indices, including interest rate benchmarks, such as the London Interbank Offered Rate ("**LIBOR**"), which are or have historically been used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to Benchmarks, with the progressive transition of activity to reference different rates and indices, with further changes

anticipated. See “Reform and regulation of “benchmarks” and Floating Rate Notes which reference EURIBOR or other benchmarks” below for further details. As part of the transition away from LIBOR to alternative reference rates, the Group’s businesses transitioned to applying the Bank of England’s base rate as a reference rate for calculating the rate of interest in relevant products instead of LIBOR.

Uncertainty as to the nature of such potential changes, alternative reference rates (including, without limitation, the Sterling Overnight Index Average (“**SONIA**”), the Euro short-term rate and the Secured Overnight Financing Rate (“**SOFR**”) or term versions of those rates) or other reforms may adversely affect a broad array of financial products. Any of these factors may have a material adverse effect on the Group’s results of operations, financial condition or prospects.

Credit ratings downgrades

Credit ratings affect the cost and other terms upon which the Group, including the Issuer, is able to obtain funding and are an important reference for market participants in evaluating the Group and its products, services and securities. Rating agencies regularly evaluate the Group and certain members of the Group, as well as their respective debt securities. Their ratings are based on a number of factors, including the financial strength of the Group (or of the relevant member) as well as market-wide phenomena and any other conditions affecting the financial services industry generally, such as the general political and economic conditions in the UK. There can be no assurance that the rating agencies will maintain the Group’s or the relevant member’s current ratings or outlook, especially in light of the difficulties in the financial services industry and the financial markets in recent years. A credit downgrade, suspension or withdrawal could increase the cost of the Group’s funding, limit access to capital markets and require additional collateral to be placed and, consequently, adversely affect the Group’s interest margins and/or affect its liquidity position and weaken the Group’s competitive position in certain markets.

(D) Operational risks

Operational and Fraud Risk

Operational risk is the risk of loss or adverse impact resulting from inadequate or failed internal processes, people and systems, or from external events, and is inherent in all of the Group’s businesses. This includes the risk of loss resulting from fraud/ financial crime, cyber attacks and information security breaches. Industry, market and regulatory focus on operational resilience continue to emphasise stability of customer and financial sector outcomes. Recent public incidences of operational disruption to financial services firms and corresponding customer impact highlight the importance of operational resilience. The Group is exposed to various operational risks through its day-to-day operations, all of which have the potential to result in financial loss or adverse impact to the Group’s reputation, business, financial condition, results of operations and prospects. Operational risk management within the Group is designed to ensure that operational risks are assessed, mitigated and reported in a consistent manner. Operational risk is measured through key risk indicators (“**KRIs**”), observed impact of risk incidents, risk and control self-assessment and scenario analysis. KRIs are regularly monitored via local, divisional and Group committees and the population of KRIs is reviewed annually in line with the scheduled review of the Group’s risk appetite. Operational risk incidents are

identified and recorded in a common system. This facilitates root cause analysis, enables thematic and trend analysis, and enables the consistent delivery of management information to risk committees. In addition, the Group's investment into (i) cyber security, including expertise and tools and staff engagement (as described in "*Technology, Cyber-Security and Data Processing Risk*" below); and (ii) fraud prevention and detection capabilities aligned to the Group's risk profile, help to mitigate against operational risks. However, despite the Group's enterprise-wide risk management framework, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to operational risk arise in the future.

The Group is subject to a number of operational risks which may affect business continuity. Whilst business continuity plans are in place and regularly tested, there can be no assurances that the Group's business, results of operations and future prospects will not be adversely affected by unforeseen events impacting continuity of operations in the future. Such risks include disruption to the Group's infrastructure caused by terrorist acts, other acts of war, damage to the Group's properties (such as by flood or fire), failing public infrastructure systems, pandemic and people risk (as described further in "*People Risk*" below).

Internal and external persons may target the Group's systems or information to perpetrate fraud. Operational processes are designed to prevent, detect and respond to fraud attempts. Anti-fraud controls are continuously enhanced following a risk-based approach to limit the potential impact on the Group and its customers. However, occurrence of fraud could expose the Group to risk of loss, adverse regulatory consequences or litigation, each of which could have a material adverse effect on the business, results of operations and prospects of the Group.

Technology, Cyber-Security and Data Processing Risk

A number of the Group's businesses are highly reliant on their IT infrastructure in their daily operations, including the Parent Guarantor, with all of the Group's businesses reliant on the existence of secure and stable technological platforms and the secure transmission of confidential information. The ability to continue to compete in many of the markets in which the Group operates necessitates an ability to respond to new technology and maintain appropriate levels of cyber-security. Failure to keep up to date across the Group's businesses could disrupt its business, result in the disclosure of confidential information and loss of data, result in increased fraudulent activity on customer accounts and customer detriment (leading to increased costs of remediation) and create significant financial and/or legal and/or regulatory exposure and the possibility of damage to the Group's reputation and lead to a material impact on the Group's earnings.

Each of the Group's businesses invest in their IT platforms to ensure they are up to date and fit for purpose for the markets in which they operate. Additionally, the Group uses an industry-standard framework to anchor its cyber risk management, continually assessing and developing its maturity, and has strategic partnerships with external experts, participates in industry forums and utilises the three lines of defence model to manage cyber risk. Despite these measures, there can be no assurances that the Group's businesses will not be adversely affected by unforeseen events relating to technology risk in the future.

The UK Government and Bank of England have highlighted cyber threat as an issue across the financial sector. The maturity and sophistication of organised cyber-crime continues to increase and has been highlighted by a number of recent attacks in the financial and non-financial sectors, including payment services. Such attacks have also increased the public awareness of cyber-threats. As a result of the increased threat from cyber-crime, and industry-wide consideration of cyber threats arising from the Russia-Ukraine conflict, security controls have needed to keep pace to prevent, detect and respond to any threats or attacks. The constant threat posed by a cyber-attack directly impacts the increased risks associated with external fraud, data loss, data integrity and availability.

The Group's audit and risk functions conduct regular cyber threat reviews which include testing its internal controls framework and reviewing planned investment on cyber risk to ensure it remains well placed to detect and resist threats. However, although the Group maintains measures designed to ensure the integrity and resilience of key systems and processes, it may be the victim of cyber-attacks, including denial of service attacks and ransomware attacks, which could significantly disrupt the Group's operations and the services it provides to its customers or attacks designed to obtain an illegal financial advantage. Persons who circumvent the security measures could use the Group's or its clients' confidential information wrongfully which could expose the Group to a risk of loss, adverse regulatory consequences or litigation, each of which could have a material adverse effect on the business, results of operations and prospects of the Group. Additionally, any such attack or any other failure in the Group's IT systems could, among other things, result in a loss of confidence in it, potentially resulting in existing customers withdrawing deposits and/or deterring prospective new customers.

Third-party vendors provide key components of the Group's business infrastructure such as loan and deposit servicing systems, internet connections and network access. Third-party risk management processes are embedded, utilising a risk based approach when entering into, monitoring, assuring and exiting from supplier and outsourcing relationships. However, any problems caused by these third parties, including as a result of their not providing the Group their services for any reason or their performing their services poorly, could adversely affect the Group's ability to deliver products and services to customers and otherwise to conduct business. Replacing these third-party vendors could also entail significant delays and expense.

The Group is subject to regulation regarding the use of personal data, including that of its customers. The Group processes personal customer data (including name, address and bank details) as part of its business, some of which may be sensitive personal data, and therefore must comply with strict data protection and privacy laws and regulations. Such laws restrict the Group's ability to collect and use personal information relating to customers and potential customers including the use of that information for marketing purposes. The Group seeks to ensure that procedures are in place to ensure compliance with the relevant data protection regulations by its employees and any third-party service providers, and also implements security measures to help prevent cyber-crime. Notwithstanding such efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection and privacy laws and regulations. If the Group or any of the third-party service providers on which it relies fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, the Group could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations. The Group and its customers

could also be targeted by other forms of fraudulent activity. Any of these events could also result in the loss of the goodwill of its customers and deter new customers which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

People Risk

The calibre, quality and expertise of employees is critical to the success of the Group. The Group's performance and ability to deliver its strategy could be adversely affected by increased market-wide risks relating to recruitment and retention, resulting in the loss of the services of certain key teams or individuals. The ability of the Group to attract, engage and retain key personnel is critical to the Group's prospects in the medium and long-term.

In order to manage these risks, the Group seeks to create an open, diverse, inclusive and supportive working environment for its employees, and monitors market expectations regarding evolving working practices (including in relation to flexible working). Opportunities for learning and development are offered to employees, including leadership development programmes. Reward scheme, incentive schemes and benefits offerings are regularly reviewed to ensure that the Group is successful in attracting, motivating and retaining the calibre of employees necessary to meet its objectives, while aligning such schemes with risk, compliance and conduct risk objectives. Despite these measures, there can be no assurances that the Group will continue to be able to attract and retain certain key teams and individuals. A failure to attract, or the loss of, such key personnel could adversely affect the Group's businesses, results of operations and financial position.

Conduct Risk

Conduct risk is the risk that the Group's behaviours, or those of its colleagues, whether intentional or unintentional, result in poor outcomes for customers or the markets in which it operates. Conduct risk is measured through a number of business activities which form part of the Conduct Risk Framework. These activities span several areas where harm could occur, whether intentional or unintentional. The Group is exposed to conduct risk in its provision of products and services to customers either directly or via its distributors, and through other business activities that enable delivery. Failure to evidence delivery of good customer outcomes may lead to reputational harm, legal or regulatory sanctions and/or customer redress. The Group faces a significant volume of regulatory change, which is expected to continue over the near term and which is aimed at enhancing consumer protection and maintaining market integrity given the current macroeconomic environment. These risks are heightened in light of the prevailing economic environment, which is increasing pressure on consumers as a result of the higher cost of living. This may increase the number of individuals and businesses requiring credit in an environment of rising interest rates. As a result, support for customers in financial difficulty, including vulnerable customers, is expected to increase.

Such an increase in support creates additional opportunities for conduct risk to arise, particularly in the context of a more stringent regulatory environment: the FCA has outlined requirements under the Consumer Duty, which introduces Principle 12 (setting a higher standard than the existing standards for retail business) and requires firms to act to deliver good outcomes for retail customers.

In addition, the Group is exposed to risks such as:

- outsourcing of customer service, or product delivery via third parties which may not have the same level of control, oversight or culture as the Group (potentially resulting in unfair outcomes for customers); and
- poor governance of colleagues' incentives or reward schemes, which may also drive poor customer outcomes.

Such risks can give rise to reputational damage and require remediation to address deficiencies; they may also result in regulatory intervention (including fines).

Whilst the Group has implemented a set of policies, standards, governance structures and reporting mechanisms in order to help mitigate these risks, and continues to develop a set of the same to mitigate new conduct risks arising out of the Consumer Duty, no assurance can be given that the strategy and framework will be completely effective in eliminating conduct risk, hence the potential remains for an adverse effect on the Group's results.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

(A) Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate which is as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Any failure to convert the interest basis, and any conversion of the interest basis, may affect the secondary market and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing market rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes issued at a substantial discount or premium

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market value of securities issued at a substantial discount (such as Zero Coupon Notes) from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared with conventional interest-bearing securities with comparable maturities. Zero Coupon Notes will be offered, sold at a discount to nominal value and will not bear interest.

(B) Risks related to the Notes generally

Set out below is a description of material risks relating to the Notes generally:

Reform and regulation of “benchmarks” and Floating Rate Notes which reference EURIBOR or other benchmarks

Interest rates and other indices which are deemed to be “benchmarks” have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Such benchmarks include EURIBOR and other indices to which interest on Notes may be linked. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which cannot be predicted and which may have a material adverse effect on the value of and the amounts payable under the Notes where such amounts are linked to a benchmark.

Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks

and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, and in particular, if the methodology or other terms of the benchmark is changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon a benchmark.

Such reforms and events may adversely impact the availability of certain benchmarks utilised in the calculations of interest and other values under the Notes which, in turn, could have a material adverse effect on the value of and return on such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The elimination of the EURIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes). Any such consequences could have an adverse effect on the value or liquidity of, and return on, any such Notes. The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that an Original Reference Rate (as defined in Condition 5 of the Terms and Conditions of the Notes) and/or any page on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event or Benchmark Transition Event (each as defined in the Terms and Conditions) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Reference Rate or a Benchmark Replacement (each as defined in the Terms and Conditions of the Notes), with the application of an Adjustment Spread or Benchmark Replacement Adjustment, and may include amendments to the Terms and Conditions of the Notes (made without Noteholder consent) to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser (in consultation with the Issuer). An Adjustment Spread or Benchmark Replacement Adjustment could be positive, negative or zero and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors

arising out of the replacement of an Original Reference Rate. However, the applicable Adjustment Spread or Benchmark Replacement Adjustment may not be effective in reducing or eliminating economic prejudice to investors. The use of a Successor Rate or Alternative Reference Rate or Benchmark Replacement (including with the application of an Adjustment Spread or Benchmark Replacement Adjustment) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate, or (in either case) an applicable Adjustment Spread is determined or, following the occurrence of a Benchmark Transition Event, no Benchmark Replacement is determined prior to the relevant Interest Determination Date, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates and Benchmark Replacements, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

The market continues to develop in relation to SONIA and SOFR as a reference rate

Investors should be aware that the market continues to develop in relation to SONIA and SOFR as reference rates in the capital markets and their adoption as an alternative to LIBOR for sterling, and U.S. dollar LIBOR, respectively. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA and SOFR, including term SONIA or SOFR reference rates which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term.

SONIA is currently published by the Bank of England and is intended to be a measure of the rate at which interest is paid on sterling short-term wholesale funds in circumstances where credit, liquidity and other risks are minimal. SOFR is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. SONIA and SOFR are the current preferred replacement rates to sterling and U.S. dollar LIBOR, respectively. Both SONIA and SOFR have a limited history and their future performance cannot be predicted based on its historical performance. Hypothetical or actual historical performance data are not indicative of, and have no bearing on, the potential performance of SONIA or SOFR or Floating Rate Notes which reference a SONIA or SOFR rate. The level of SONIA or SOFR over the term of Floating Rate Notes may bear little or no relation to the historical level of SONIA or SOFR, as the case may be. Prior observed patterns, if any, in the behaviour of market variables, such as

correlations, may change in the future.

The market or a significant part thereof may adopt an application of SONIA and/or SOFR that differs significantly from that set out in the Terms and Conditions of the Notes. As each of SONIA and SOFR is published and calculated by third parties based on data received from other sources, the Issuer has no control over their respective determinations, calculations or publications. Furthermore, the Issuer may in the future issue Notes referencing SONIA and/or SOFR that differ materially in terms of interest determination when compared with any previous SONIA-referenced Notes and/or SOFR-referenced Notes respectively issued under the Programme. The nascent development of SONIA and SOFR as interest reference rates for the Eurobond markets, as well as continued development of SONIA-based and SOFR-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced and/or SOFR-referenced Notes issued under the Programme from time to time. There can be no guarantee that SONIA and/or SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes which reference a SONIA rate or a SOFR rate (or that any applicable benchmark fallback provisions provided for in the Terms and Conditions of the Notes will provide a rate which is economically equivalent for Noteholders). Neither the Bank of England nor the Federal Reserve has an obligation to consider the interests of Noteholders in calculating, adjusting, converting, revising or discontinuing SONIA or SOFR, respectively. If the manner in which SONIA and/or SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Investors should also be aware that the manner of adoption or application of SONIA or SOFR as reference rates in the international debt capital markets may differ materially compared with the application and adoption of SONIA and SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any such mismatch may impact any hedging or other arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Notes which reference a SONIA rate or a SOFR rate.

In addition, market conventions for calculating the interest rate for bonds referencing risk-free rates continue to develop and market participants and relevant working groups are exploring alternative reference rates based on risk-free rates (for example, the SOFR Compounded Index and the SONIA Compounded Index). Accordingly, the specific formula for calculating the rate used in the Notes issued under this Prospectus may not be widely adopted by other market participants, if at all.

Since SONIA and SOFR are relatively new market indices, Floating Rate Notes which reference such rates may have no established trading market when issued, and such a market may never develop or may not be very liquid. Market terms for debt securities linked to or which reference a SONIA rate or a SOFR rate may evolve over time and trading prices of such Notes may be lower than those of the later issued Notes that are linked to or which reference a SONIA rate or a SOFR rate as a result. Further, if SONIA or SOFR do not prove to be widely used in securities like the Notes, the trading price of Floating Rate Notes which reference a SONIA rate or a SOFR rate may be lower than those of debt-securities linked to or which reference indices that are more widely used.

Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. In addition, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates. For example, since publication of SOFR began, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

The calculation of the Rate of Interest payable in relation to reference rates such as SONIA or SOFR is only capable of being determined at the end of the relevant Interest Period

Furthermore, the Rate of Interest payable on Floating Rate Notes which reference a SONIA rate or a SOFR rate is only capable of being determined at the end of the relevant Interest Period on the relevant Interest Determination Date. It may therefore be difficult for investors in Floating Rate Notes which reference a SONIA rate or a SOFR rate to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes referencing EURIBOR, if Notes referencing SONIA or SOFR become due and payable as a result of an Event of Default or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined on the date on which the Notes become due and payable and shall not be reset thereafter.

Investors should carefully consider the above matters when making their investment decision with respect to any such Floating Rate Notes which reference a SONIA rate or a SOFR rate.

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, in any of the circumstances described in Condition 15, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to: (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes; or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or; (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

Change of law

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Notes where denominations involve integral multiples

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of the minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time, may not receive a definitive Note in respect of such holding (should definitive Notes in bearer form be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, Noteholders should be aware that definitive Notes which have a denomination that is not the minimum denomination may be illiquid and difficult to trade.

Eligibility of the Notes for Eurosystem Monetary Policy

Notes issued in new global note ("**NGN**") form or to be held under the New Safekeeping Structure (the "**NSS**"), as stated in the applicable Final Terms, are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are, upon issue, 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 ("**Eurosystem Eligible Collateral**") either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the European Central Bank (the "**ECB**") from time to time. Any potential investor in the Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem Eligible Collateral. If the Notes do not satisfy Eurosystem eligibility criteria then such Notes will not be recognised as Eurosystem Eligible Collateral, which may adversely affect the market value of such Notes as an equivalent investment which meets the Eurosystem eligibility criteria may be more attractive to investors.

*Risks relating to the Banking Act 2009 (the "**Banking Act**")*

Under the Banking Act, substantial powers have been granted to HM Treasury, the Bank of England, the FCA and the PRA (the FCA and PRA, together with HM Treasury and the Bank of England, the “**Authorities**”) as part of the SRR. These powers can be exercised, as applicable, by the Authorities in respect of a UK bank, UK building society, UK investment firm or UK recognised central counterparty (each a “**relevant entity**”) in circumstances in which the Authorities consider its failure has become likely and if certain other conditions are satisfied (depending on the relevant power) for example, to protect and enhance the stability of the financial system of the UK. Certain of these powers may also be used in respect of a UK incorporated company which meets certain conditions and is in the same group as a relevant entity (such as the Issuer) (a “**UK banking group company**”), an EU incorporated credit institution or investment firm or a third country incorporated credit institution or investment firm.

The SRR consists of five stabilisation options and two special insolvency procedures (bank administration and bank insolvency). The stabilisation options provide for: (i) private sector transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a “bridge bank” wholly owned by the Bank of England; (iii) transfer of all or part of the business of the relevant entity to an asset management vehicle owned and controlled by the Bank of England or HM Treasury; (iv) writing down (including to zero) certain claims of unsecured creditors of the relevant entity (including Notes) and/or converting certain unsecured debt claims (including Notes) to equity (the “**bail-in option**”), which equity could also be subject to any future cancellation, transfer or dilution; and (v) temporary public ownership (nationalisation) of all or part of the relevant entity or its UK holding company.

In addition, if the Authorities determine that the relevant entity or UK banking group company meets certain conditions (but no resolution action has yet been taken) or that the relevant entity or group will no longer be viable unless relevant capital instruments (such as additional tier 1 and tier 2 instruments) are written-down or converted (the point of non-viability) the Banking Act provides the Authorities with the power to permanently write-down (including to zero) or convert those capital instruments into equity and before any formal resolution action is taken. Any shares issued to holders of such capital instruments upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution.

The following paragraphs set out some of the possible consequences of the exercise of the powers under the SRR.

The terms of the Notes and the Guarantee may be modified without the consent of the Noteholders

If the Parent Guarantor or the Issuer were made subject to the SRR, HM Treasury or the Bank of England may exercise extensive share transfer powers (applying to a wide range of securities), property transfer powers (including powers for partial transfers of property, rights and liabilities) and resolution instrument powers (including powers to make special bail-in provisions) in respect of the Parent Guarantor or the Issuer. Exercise of these powers could involve taking various actions in relation to any securities issued by the Issuer (including the Notes and/or the Guarantee) without the consent of the Noteholders, including (among other things):

- transferring the Notes notwithstanding any restrictions on transfer and free from any trust, liability or encumbrance;
- delisting the Notes;
- writing down the principal amount of the Notes (including to zero) and/or converting the Notes into another form or class (which may include, for example, conversion of the Notes into equity securities);
- modifying any interest payable in respect of the Notes, the maturity date or the dates on which any payments are due, including by suspending payment for a temporary period; and/or
- disapplying certain terms of the Notes including disregarding any termination or acceleration rights or events of default under the terms of the Notes which would be triggered by the exercise of the powers and certain related events.

The taking of such actions could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer or the Parent Guarantor to satisfy their obligations under the Notes or the Guarantee. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred, or at all.

A partial transfer of the Parent Guarantor's or the Issuer's business may result in a deterioration of their creditworthiness

If the Parent Guarantor or the Issuer were made subject to the SRR and a partial transfer of the Parent Guarantor's business or the Issuer's business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with the Parent Guarantor or the Issuer (as applicable) (which may include the Notes or the Guarantee) may result in a deterioration in the creditworthiness of the Parent Guarantor or the Issuer and, as a result, increase the risk that the Parent Guarantor or the Issuer may be unable to meet their obligations in respect of the Notes and/or eventually become subject to administration or insolvency proceedings. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of this Prospectus, the Authorities have not made an instrument or order under the Banking Act relating to the Group and there has been no indication that they will make any such instrument or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made in future.

Exercise of the bail-in and/or write down powers could impose losses on an investment in the Notes

As explained above, the Banking Act provides for a bail-in option. The bail-in option under the Banking Act would potentially apply to any unsecured debt instruments and certain other liabilities issued by or owned by a financial institution under resolution or a relevant group company, regardless of when they were issued. Accordingly, it could potentially apply to Notes issued by the Issuer and to the Guarantee granted by the Parent Guarantor. Consequently, Noteholders may lose all of their investment in the Notes and/or the benefit of the Guarantee.

As explained above, the Banking Act also provides for a mandatory write down power applicable to capital instruments. Before determining that any institution has reached a point of non-viability (and accordingly, before taking any form of resolution action or applying any resolution power), the Authorities have the power (and are obliged when specified conditions are determined to have been met) to write down, or convert into CET1 capital instruments, additional tier 1 and tier 2 capital instruments issued by that institution. These measures could be applied to certain of the Group's subordinated debt securities. While the Notes themselves are not capital instruments within scope of the mandatory write down power, the exercise of this power and the occurrence of circumstances in which such powers would need to be exercised in respect of the Group would be likely to have a negative impact on the Group's business, and any use or anticipated use of such powers in connection with the Group's capital instruments could have a material adverse effect on the market price of the Notes.

Notwithstanding the pre-conditions which must be satisfied before the bail-in and write down powers may be exercised, there remains uncertainty as to the specific considerations to which the relevant Authority would in practice have regard to when assessing whether to exercise bail-in and/or capital write-down powers with respect to the Issuer or the Parent Guarantor and their respective liabilities (including the Notes and the Guarantee). As the relevant Authority has considerable discretion in relation to how and when it may exercise such powers, holders of the Notes may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such powers and consequently its potential effect on the Issuer, the Parent Guarantor and the Notes.

Under the Banking Act, holders of securities have a right to be compensated under a bail-in compensation order which is based on the principle that such investors should receive no less favourable treatment than they would have received had the bank entered into insolvency immediately before the coming into effect of the bail-in power. However, compensation will not necessarily be payable in all circumstances. The holders of the Notes will have limited rights to challenge any decision of the relevant Authority to exercise the bail-in power.

Changes to MREL could impact the Group's business

In connection with the SRR, and in order to support the Bank of England's preferred resolution strategy for each resolution entity or group under its supervision, firms (including the Group) are required to maintain MREL. The MREL requirement is, broadly, split into two components: a loss absorption component (comprising the firm's capital requirement, to be met with own funds instruments) and, if applicable, a recapitalisation component (to be met with additional loss-absorbing capacity, including 'eligible liabilities instruments').

There is no common level of MREL applicable to all or a category of institutions; it is an institution-specific requirement. The Bank of England is required to make a separate

determination on a case-by-case basis of the appropriate MREL requirement for each resolution group (and for certain individual firms within such resolution groups) in the UK, taking into account certain specified criteria, including the resolvability, resolution strategy, risk profile, systemic importance and other characteristics of each institution (such as its business and funding models), after consultation with the PRA and FCA (as applicable). These rules are designed to ensure relevant institutions have sufficient loss absorbing capacity to ensure continuity of critical functions without making recourse to public funds and to facilitate the use of the bail-in tool in a resolution scenario.

As at the date of this Prospectus, the Bank of England's preferred resolution strategy for the Group is 'modified insolvency'. Accordingly, the recapitalisation component of the Group's MREL requirement is presently set at nil. As such, the Group's MREL requirement does not presently exceed its own funds (capital) requirement, however future balance sheet growth may lead to the Group's MREL requirements being set in excess of its own funds (capital) requirements. It remains possible that the Bank of England could decide to take a different approach in relation to the Group and/or change its preferred resolution strategy in the future. It is difficult to predict the full effect of such changes on the Group if they take place. However, the future changes of the preferred resolution strategy may limit or restrict the execution of the Group's strategy and may have an adverse effect on the Group's business, capital and funding structure, financial condition, results of operations and/or prospects, and may increase compliance costs.

(C) Risks related to the market generally

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

Secondary market

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid and may be sensitive to changes in financial markets. In particular, holdings in the Notes upon issue may be concentrated as they will be purchased by a limited number of initial investors, one or more of whom may hold a significant proportion of the total issuance. If the initial investors decide to sell any Notes and a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, should the Issuer be in financial distress, this is likely to have a significant impact on the secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount. Illiquidity may have a severely adverse effect on the market value of Notes.

If a market for the Notes does develop, the trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this risk factor, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Notes. Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that

have issued them, and such volatility may be increased in an illiquid market. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition of the Group deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable to pay interest on the Notes in full, or of the Notes being subject to loss absorption under an applicable statutory loss absorption regime. In addition, the market price of the Notes may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer's control.

Any or all such events could result in material fluctuations in the price of Notes which could lead to investors losing some or all of their investment.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them, or at a price that would provide it with a yield comparable to other investments that have a developed secondary market.

Moreover, although the Issuer and any Subsidiary can purchase Notes at any time, they have no obligation to do so. Purchases made by the Issuer or any member of the Group could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus), whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Although application has been made for the Notes to be admitted to trading on the Main Market of the London Stock Exchange, this does not mean that such an application will automatically succeed. Furthermore, even if the Notes are admitted to such trading, an active trading market may still not develop.

Exchange rate risk and exchange controls

If an investor holds Notes which are not denominated in the investor's home currency, the investor will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes, and the Parent Guarantor will make any payments under the Guarantee, in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange

controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Parent Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risk

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings risk

Credit ratings assigned to the Issuer, the Parent Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes. One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time. Accordingly, an investor may suffer losses if the credit rating assigned to the Notes does not reflect the true creditworthiness of such Notes.

Rating agencies could also elect to rate the Issuer or the Notes on an unsolicited basis, and if such unsolicited ratings are lower than the comparable ratings assigned to the Issuer or the Notes by other rating agencies on a solicited basis, those unsolicited ratings could have an adverse effect on the market value of the Notes.

Furthermore, in general, European regulated investors are restricted under Regulation 1060/2009/EC (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**EU CRA Regulation**") from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Issuer or the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (or sections of documents), which have previously been published or are published simultaneously with this Prospectus, shall be incorporated in, and form part of, this Prospectus:

- (A) the independent auditors' report and audited annual non-consolidated financial statements of the Issuer for each of the financial years ended 31 July 2022 and 31 July 2023, and related notes thereto, which have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' and the Companies Act 2006, and which appear on the pages of the Annual Reports and Financial Statements of the Issuer set out in the tables on page 51 of this Prospectus;
- (B) the annual report and audited consolidated financial statements of the Parent Guarantor for the financial years ended 31 July 2022 and 31 July 2023, and related notes thereto, which have been prepared in accordance with UK-adopted accounting standards in conformity with the requirements of the Companies Act 2006, together with the independent auditors' report thereon, which appear on the pages of the Annual Report of the Parent Guarantor set out in the tables on page 52-53 of this Prospectus;
- (C) the terms and conditions of the notes which appear on pages 49 to 88 of the prospectus dated 18 December 2015 relating to the Programme under the heading "Terms and Conditions of the Notes";
- (D) the terms and conditions of the notes which appear on pages 56 to 103 of the prospectus dated 18 June 2019 relating to the Programme under the heading "Terms and Conditions of the Notes";
- (E) the terms and conditions of the notes which appear on pages 57 to 105 of the prospectus dated 22 October 2020 relating to the Programme under the heading "Terms and Conditions of the Notes";
- (F) the terms and conditions of the notes which appear on pages 60 to 111 of the prospectus dated 16 December 2021 relating to the Programme under the heading "Terms and Conditions of the Notes";
- (G) the Articles of Association of the Issuer and the Parent Guarantor;
- (H) the following sections of the unaudited half-year results of the Ultimate Parent for the six month period ended 31 January 2024 (the **"2024 Half-Year Results"**) available at <https://www.closebrothers.com/investor-relations/investor-information/results-reports-and-presentations>:

(i) each of:

- (a) the section headed "Banking" on pages 14 to 21;

- (b) the section headed “Definitions” on pages 25 to 27; and
- (c) the section headed “Loans and Advances to Customers” on pages 49 to 52,

which set out information in relation to the financial performance of the Banking division of the Ultimate Parent, as well as the use of alternative performance measures. The Parent Guarantor is the parent company of the group of entities which comprise the Banking division of the Ultimate Parent;

- (ii) the section headed “Group Capital” on pages 11 to 12 and the “Capital” on pages 57 and 58, which sets out the capital position of the Ultimate Parent; and
- (iii) each of:
 - (a) the section headed “Significant uncertainty arising from the FCA’s review of the motor finance industry” on pages 5 to 6;
 - (b) the section headed “FCA’s review of historical motor finance commission arrangements” on pages 6 to 8;
 - (c) the sub-section headed “Motor Finance commission arrangements” under the heading “Critical accounting judgements” on page 38; and
 - (d) the section headed “Contingent Liabilities” on page 58,

which set out information in relation to the review by the FCA into historical motor finance commission arrangements and the impact of this on the Ultimate Parent; and

- (l) the paragraphs relating to the Banking division within the section headed “Group and divisional performance” on pages 1 to 2 and the related footnotes on page 3 of the Q3 2024 Trading Update of the Ultimate Parent published on 22 May 2024 (the “**Q3 2024 Trading Update**”) available at <https://www.closebrothers.com/investor-relations/investor-information/results-reports-and-presentations>, which sets out information in relation to the financial performance of the Banking division of the Ultimate Parent.

Copies of the documents incorporated by reference in this Prospectus, as listed in (A) to (G) above, are available for viewing at <https://www.closebrothers.com/unsecured-securities>.

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by

reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in documents which are deemed to be incorporated in, and to form part of, this Prospectus, shall not form part of this Prospectus for the purposes of the UK Prospectus Regulation.

Certain information contained in the documents listed above has not been incorporated by reference in this Prospectus. Such information is either (i) not considered by the Issuer and the Parent Guarantor to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) is covered elsewhere in this Prospectus.

The 2024 Half-Year Results are incorporated by reference insofar as they relate to the Banking Division of the Ultimate Parent and for the purposes of providing information relating to the FCA's review of historic motor commission arrangements. The Parent Guarantor is the parent company of the group of entities that comprise the Banking Division of the Ultimate Parent, and therefore the results of the Banking Division of the Ultimate Parent directly relate to the Parent Guarantor and the Issuer. The Ultimate Parent is neither an Issuer, Guarantor or an Obligor under the Programme, and Noteholders will not have any recourse to the Ultimate Parent.

References in this Prospectus to websites are made for information purposes only and the contents of those websites do not form part of this Prospectus.

The tables below set out the page number references for certain sections of the documents incorporated in this Prospectus by reference. The sections denoted by those page number references form part of this Prospectus and are referred to in this Prospectus as the "information incorporated by reference".

Annual report and audited annual non-consolidated financial statements of the Issuer for the financial year ended 31 July 2022:

Information incorporated by reference into this Prospectus	Page numbers in “Annual Report and Financial Statements” 2022
Independent auditors’ report to the members of Close Brothers Finance plc	7-12
Company income statement	13
Company balance sheet	15
Company statement of changes in equity	16
Notes to the financial statements	17-23

Annual report and audited annual non-consolidated financial statements of the Issuer for the financial year ended 31 July 2023:

Information incorporated by reference into this Prospectus	Page numbers in “Annual Report and Financial Statements” 2023
Independent auditors’ report to the members of Close Brothers Finance plc	8-12
Company income statement	13
Company balance sheet	15
Company statement of changes in equity	16
Notes to the financial statements	17-23

Annual report and audited consolidated annual financial statements of the Parent Guarantor for the financial year ended 31 July 2022:

Information incorporated by reference into this Prospectus	Page numbers in “Annual Report” 2022
Profile of Close Brothers Limited	1
Business highlights	1
Strategic Report	3-30
Directors’ Report	31-38
Independent auditors’ report to the members of Close Brothers Limited	39-46
Consolidated income statement	47
Consolidated statement of comprehensive income	48
Consolidated balance sheet	49
Consolidated statement of changes in equity	50
Consolidated cash flow statement	51
Notes to the consolidated accounts	52-116

Annual report and audited consolidated annual financial statements of the Parent Guarantor for the financial year ended 31 July 2023:

Information incorporated by reference into this Prospectus	Page numbers in “Annual Report” 2023
Profile of Close Brothers Limited	1
Business highlights	1
Strategic Report	3-51
Directors’ Report	52-59
Independent auditors’ report to the members	60-66

Information incorporated by reference into this Prospectus	Page numbers in “Annual Report” 2023
of Close Brothers Limited	
Consolidated income statement	67
Consolidated statement of comprehensive income	68
Consolidated balance sheet	69
Consolidated statement of changes in equity	70
Consolidated cash flow statement	71
Notes to the consolidated accounts	72-121

SUPPLEMENTAL PROSPECTUS

The Issuer and the Parent Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which may affect the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes. The Issuer and the Parent Guarantor have undertaken to the Dealers in the Programme Agreement (as defined in “**Subscription and Sale**”) that they will comply with Article 23(1) of the UK Prospectus Regulation.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a temporary bearer global note (a **“Temporary Bearer Global Note”**) or a permanent bearer global note (a **“Permanent Bearer Global Note”**) and together with a Temporary Bearer Global Note, a **“Bearer Global Note”**) as indicated in the applicable Final Terms, which, in either case, will:

- (i) if the Bearer Global Notes are issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the **“Common Safekeeper”**) for Euroclear Bank SA/NV (**“Euroclear”**) and Clearstream Banking, S.A. (**“Clearstream, Luxembourg”**); and
- (ii) if the Bearer Global Notes are not issued in NGN form, be delivered on or prior to the original issue date of the relevant Tranche to a common depositary (the **“Common Depositary”**) for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note (if the Temporary Bearer Global Note is not issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **“Exchange Date”**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or

surrender (as the case may be) of the Permanent Bearer Global Note (if the Permanent Bearer Global Note is not issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative or successor clearing system satisfactory to the Trustee is available or, except as otherwise specified in the applicable Final Terms (iii) the Issuer or the Parent Guarantor has suffered or will suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer or the Parent Guarantor is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or the Common Depositary or Common Safekeeper on their behalf (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Bearer Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes.

If, in respect of any Tranche of Notes, the applicable Final Terms specified that the Global Note may be exchanged for definitive Notes in circumstances other than upon the occurrence of an Exchange Event, such Notes will be issued with only one Specified Denomination or all Specified Denominations of such Notes will be an integral multiple of the lowest Specified Denomination, as specified in the applicable Final Terms.

The following legend will appear on all Bearer Notes which have an original maturity of more than one year and on all interest coupons relating to such Notes:

“ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

So long as the Notes are represented by a Temporary Bearer Global Note or Permanent Bearer Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no definitive notes will be issued with a denomination above €199,000 (or if the Notes are denominated in a currency other than euro, the equivalent amounts in such currency).

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a “**Registered Global Note**”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes that are to be held under the NSS, as stated in the applicable Final Terms, will be delivered on or prior to the original issue date of the relevant tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Registered Global Notes that are not to be held under the NSS will be deposited with the Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of a Registered Global Note will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the relevant Registered Global Note. None of the Issuer, the Parent Guarantor, the Trustee, any Paying Agent or the Registrar will

have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in a Registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of a Registered Note in definitive form will, in the absence of provision to the contrary, be made to the person(s) shown on the Register on the relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN number which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Parent Guarantor, the Trustee and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Parent Guarantor, the Trustee and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Any reference 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 the applicable Final Terms or as may otherwise be approved by the Issuer, the Parent Guarantor, the Principal Paying Agent and the Trustee, and, as applicable, the Registrar.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Parent Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

The Issuer has entered into an agreement with Euroclear and Clearstream, Luxembourg (together, “**ICSDs**”) in respect of any Notes issued in NGN form or held under the NSS that the Issuer may request be made eligible for settlement with the ICSDs (the “**Issuer-ICSDs Agreement**”). The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any such Notes, *inter alia*, maintain records of, or reflecting (in the case of notes held under the NSS), their respective portion of the issue outstanding amount of such Notes and will, upon the Issuer’s request, produce a statement for the Issuer’s use showing the total nominal amount of its customer holdings of such Notes as of a specified date.

The Issuer will procure that, at the time of issue of each Tranche of Notes, the ICSDs are notified whether or not such Notes are intended to be held in a manner which would allow Eurosystem eligibility. Such notification will confirm whether the Notes are to be issued in NGN form. The fact that Notes are intended to be held in a manner which would allow Eurosystem eligibility simply means that the Notes are intended upon issue to be deposited with one of the 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 ECB being satisfied that Eurosystem eligibility criteria have been met.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

Close Brothers Finance plc
Legal Entity Identifier: 213800URQKPVH3SJBM16
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by Close Brothers Limited
under the £2,000,000,000
Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated 13 June 2024 which [, as modified by a supplement to the Prospectus dated *[date of supplement]*,] constitutes a base prospectus (the “**Prospectus**”) for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom (the “**UK**”) by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (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 Prospectus in order to obtain all the relevant information. The Prospectus has been published on the website of the London Stock Exchange (at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>).]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated *[original date]* [and the supplement to it dated *[date]*] which are incorporated by reference in the Prospectus dated 13 June 2024 and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom (the “**UK**”) by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK Prospectus Regulation**”) and, in order to obtain all the relevant information, must be read in conjunction with the Prospectus dated 13 June 2024 which [, as modified by a supplement to the Prospectus dated *[date of supplement]*,] constitutes a base prospectus for the purposes of the UK Prospectus Regulation (the “**Prospectus**”), including the Conditions incorporated by reference in the Prospectus. The Prospectus has been published on the website of the London Stock Exchange (at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>).]

[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/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 eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); 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 “**MiFID II distributor**”) should take

into consideration the manufacturer['s/s'] target market assessment; however, a MiFID II distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET - Solely for the purposes of [the/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 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 in the UK by virtue of the EUWA, as amended, ("**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 "**UK MiFIR distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however a UK MiFIR 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 manufacturer['s/s'] 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] / [Directive 2014/65/EU (as amended "**MiFID II**")]; (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; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. 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 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 in the UK by virtue of the [EUWA] [European Union (Withdrawal) Act 2018 (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 Regulation (EU) No 600/2014 as it forms part of domestic law in 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 in 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 United Kingdom may be unlawful under the UK PRIIPs Regulation.]

[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 2001 of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the CMP Regulations 2018) and are [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

1. (a) Issuer: Close Brothers Finance plc
(b) Parent Guarantor: Close Brothers Limited
2. (a) Series Number: [●]
(b) Tranche Number: [●]
(c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [●] on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [] below, which is expected to occur on or about [●] / [Not Applicable]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
(a) Series: [●]
(b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●] (if applicable)]
6. (a) Specified Denominations: [[●] and integral multiples of [●] in excess thereof [up to and including [●].] No Notes in definitive form will be issued with a denomination above [●].]
(b) Calculation Amount: [●]
7. (a) Issue Date: [●]
(b) Interest Commencement Date: [Issue Date/Not Applicable]
8. Maturity Date: [●] / [Interest Payment Date falling in or nearest to [●]]
9. Interest Basis: [[●] per cent. Fixed Rate]
[[SOFR/SONIA/EURIBOR] +/- [●] per cent. Floating Rate]
[Zero Coupon]
(see paragraph [14]/[15]/[16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [97][98][99][100][101][102][103] per cent. of

- their nominal amount
11. Change of Interest Basis or Redemption/Payment Basis: [●] / [Not Applicable]
12. Put/Call Options: [Not Applicable]
[Investor Put]
[Issuer Call]
[(see paragraph [18]/[19]/[20] below)]
13. [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [I] [and [I], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount
- (d) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
(applicable to Notes in Definitive form)
- (e) Day Count Fraction: [Actual/Actual (ICMA)]
[30/360]
- (f) Determination Date(s): [Not Applicable]
[[●] in each year]
15. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [●]
- (b) First Interest Payment Date: [●]
- (c) Business Day Convention: [Floating Rate Convention]
[Following Business Day Convention]
[Modified Following Business Day Convention]
[Preceding Business Day Convention]
- (d) Additional Business Centre(s): [●]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [●]
- (g) Screen Rate Determination:
- (i) Reference Rate: Reference Rate: [[] month
EURIBOR]/[SONIA]/[Compounded Daily
SOFR]/[Weighted Average SOFR]

(ii) Index Determination:	[Applicable/Not Applicable]
(iii) Relevant Number:	[[5 / •] [London Banking Days][U.S. Government Securities Business Days]] / [Not Applicable]
(iv) Interest Determination Date(s):	[•]
(v) Relevant Screen Page:	[•]
(vi) Observation Method:	[Not Applicable/Lag/Lock-out/Shift]
(vii) Observation Look-back Period:	[[•] [London Banking Days][US Government Securities Business Days]] / [Not Applicable] (being no less than five relevant business/banking days)
(viii) Lock-out date:	[The [•] London Banking Day prior to the relevant Interest Payment Date] / [Not Applicable]
(viii) D:	[360/365/[•]/[Not Applicable]
(h) Margin(s):	[+/-] [•] per cent. per annum [Applicable/Not Applicable]
(i) Minimum Rate of Interest:	[•] per cent. per annum [Applicable/Not Applicable]
(j) Maximum Rate of Interest:	[•] per cent. per annum [Applicable/Not Applicable]
(k) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond basis] [30e/360 (ISDA)]
(l) Benchmark Discontinuation:	[Applicable/Not Applicable]
(i) Benchmark Replacement:	[Applicable/Not Applicable]
(ii) Benchmark Transition:	[Applicable/Not Applicable]
16. Zero Coupon Note Provisions:	[Applicable/Not Applicable]
(a) Accrual Yield:	[•] per cent. per annum
(b) Reference Price:	[•]
(c) Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17. Notice periods for Condition 7(b)	Minimum period: [•] days
---------------------------------------	--------------------------

- (Redemption and Purchase – Redemption for taxation reasons) Maximum period: [●] days
18. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[●] per Calculation Amount]
[Make Whole Redemption Price]
- (c) Make Whole Redemption Price: [[●] per Calculation Amount]
[Spens Amount]
[Make Whole Redemption Amount]
[Not Applicable]
- (d) If redeemable in part:
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- (e) Notice periods: Minimum period: [●] days
Maximum period: [●] days
19. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount: [●] per Calculation Amount
- (c) Notice periods: Minimum period: [●] days
Maximum period: [●] days
20. Final Redemption Amount: [●] per Calculation Amount
21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. (a) Form: [Bearer Notes]
[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]
- [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given

at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Registered Notes: Registered Global Note ([●] nominal amount)]

(b) New Global Note/NSS: [Yes (New Global Note)] / [Yes (NSS)] / [No]

23. Additional Financial Centre(s) : [Not Applicable]

24. Talons for future Coupons to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): [Yes /No.]

RESPONSIBILITY

[[●] has been extracted from [●]. [Each of the] [The] Issuer [and the Parent Guarantor] 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.] / [Not Applicable]

Signed on behalf of the Issuer:

Signed on behalf of the Parent Guarantor:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing Admission to trading: [Application has been 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 and listing on the Official List of the FCA with effect from [•].]
- [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 and listing on the Official List of the FCA with effect from [•].]
- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

- Ratings: [The Notes to be issued [have been/are expected to be] assigned the following ratings:
- [•] by Standard & Poor's Credit Market Services Europe Limited
[•] by Fitch Ratings Ltd
[•] by Moody's Investors Service Limited]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

[Not Applicable]

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] 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 the Parent Guarantor and their affiliates in the ordinary course of business.]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

Reasons for the offer: [See ["Use of Proceeds"] in the Prospectus]

Estimated net proceeds: [•]

5. YIELD

Indication of yield: [•]

6. OPERATIONAL INFORMATION

- | | | |
|--------|---|--|
| (i) | ISIN: | [●] |
| (ii) | Common Code: | [●] |
| (iii) | CFI: | [[See/[[<i>include code</i>] ¹ , as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (iv) | FISN: | [[See/[[<i>include code</i>] ² , as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (v) | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): | [●] / [Not Applicable] |
| (vi) | Delivery: | Delivery [against/free of] payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | [] |
| (viii) | U.S. Selling Restrictions: | Reg. S Category 2
[TEFRA D]
[TEFRA C]
[TEFRA not applicable] |
| (ix) | 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 ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper).][<i>include this text for registered notes</i>] and does not necessarily mean that the Notes will be recognized 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 ECB being satisfied that Eurosystem |

¹ The actual code should only be included where the issuer is comfortable that it is correct.

² The actual code should only be included where the issuer is comfortable that it is correct.

eligibility criteria have been met.]

[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 [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]*. 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.]

- (x) Singapore Sales to
Institutional Investors and
Accredited Investors only:

[Applicable/Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The provisions of Part A of the applicable Final Terms (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 the Notes” and “Form of Final Terms” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Close Brothers Finance plc (the “**Issuer**”) constituted by a Trust Deed (such Trust Deed, as most recently amended and restated on 13 June 2024 and as amended and/or supplemented and/or restated from time to time, the “**Trust Deed**”) made between the Issuer, Close Brothers Limited as Parent Guarantor (the “**Parent Guarantor**”) and Citicorp Trustee Company Limited (the “**Trustee**”, which expression shall include any successor as Trustee).

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “**Global Note**”), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (“**Bearer Notes**”) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (“**Registered Notes**”) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement, as most recently amended and restated on 13 June 2024 and as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and made between the Issuer, the Parent Guarantor, the Trustee and Citibank, N.A., London Branch as principal paying agent and settlement agent (the “**Principal Paying Agent**”, which expression shall include any successor agent) and the other paying agent named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), Citibank Europe Plc, Germany Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar), and Citibank Europe PLC as transfer agent (in such capacity, the “**Transfer Agent**”, which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, if indicated in the applicable Final Terms, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be

deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions. References to the “**applicable Final Terms**” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being 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), 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 and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) 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 available for inspection during normal business hours at the registered office for the time being of the Trustee, being at the date of this Prospectus at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each of the Principal Paying Agent, the Registrar and any other Paying Agents and Transfer Agents (such Principal Paying Agent, the Registrar, any other Paying Agents and Transfer Agents being together referred to as the “**Agents**”). Copies of the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, are bound by and are entitled to the benefit of, all the provisions of the Trust Deed, and the applicable Final Terms which are applicable to them and are deemed to have notice of all the provisions of the Agency Agreement. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed, 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 Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the “**Specified Currency**”) 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 and Bearer Notes may not be exchanged for Registered Notes and vice versa.

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

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Parent Guarantor, any Agent and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. ("**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 of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Parent Guarantor, the Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Parent Guarantor, any Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

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 Clearstream, Luxembourg, as the case may be.

References 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. Transfers of Registered Notes

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(b) *Transfers of Registered Notes in definitive form*

Subject as provided in paragraph (e) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) **Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) **Exchanges and transfers of Registered Notes generally**

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same series at any time.

3. Status of the Notes and the Guarantee

(a) **Status of the Notes**

The Notes and the relative Coupons are direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

(b) **Status of the Guarantee**

The payment of the principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Parent Guarantor in the Trust Deed (the "**Guarantee**"). The obligations of the Parent Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Parent Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Parent Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

4. Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed) the Issuer and the Parent Guarantor will not, and the Parent Guarantor will ensure, so far as it is able to do so by the proper exercise of voting and other rights or powers of control exercisable by it in relation to its Subsidiaries, that none of its Principal Subsidiaries will,

create or have outstanding any mortgage, charge, pledge, lien or other encumbrance (other than any arising by operation of law) (each a “**Security Interest**”) upon the whole or any part of its or their respective undertakings, assets or revenues present or future, to secure any Relevant Indebtedness (as defined below) or to secure any guarantee or indemnity in respect thereof, without simultaneously with, or prior to, the creation of such Security Interest, securing the Notes equally and rateably therewith to the satisfaction of the Trustee, or providing such other Security Interest therefor or making such other arrangement which the Trustee in its absolute discretion shall deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, save that the Issuer, the Parent Guarantor or any Principal Subsidiary may create or have outstanding (without the obligation so to secure the Notes) a Permitted Encumbrance.

For the purposes of these Terms and Conditions:

- (a) “**Group**” means the Parent Guarantor and its Subsidiaries;
- (b) “**Indebtedness for Borrowed Money**” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities, or any borrowed money;
- (c) “**Non-recourse Indebtedness**” means, at any time, any Indebtedness for Borrowed Money (as defined above) to finance the ownership, acquisition, development and/or operation of an asset or assets in respect of which the person or persons to whom any such Indebtedness for Borrowed Money is or may be owed by the relevant borrower has or have no recourse whatsoever to the Issuer, the Parent Guarantor or any Subsidiary of the Parent Guarantor for the repayment thereof other than:
 - (i) recourse to such borrower for amounts limited to the cash flow or net cash flow from such asset; and/or
 - (ii) recourse to such borrower for the purpose only of enabling amounts to be claimed in respect of such Indebtedness for Borrowed Money in an enforcement of any Security Interest given by such borrower over such asset or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such Indebtedness for Borrowed Money, provided that (A) the extent of such recourse to such borrower (or any such shareholder or the like) is limited solely to the amount of any recoveries made on such enforcement, and (B) such person or persons are not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness for Borrowed Money, to commence proceedings for the winding-up or dissolution of the borrower (or any such shareholder or the like); and/or

- (iii) recourse to such borrower generally, or directly or indirectly to the Issuer, the Parent Guarantor or any Subsidiary of the Parent Guarantor, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof) by the person against whom such recourse is available;

(d) **“Permitted Encumbrance”** means:

- (i) any Security Interest existing on the date of issue of the Notes;
- (ii) any Security Interest which secures any Relevant Indebtedness which exists on any asset or undertaking of the Issuer, the Parent Guarantor or any other Principal Subsidiary of the Parent Guarantor which asset or undertaking or which Principal Subsidiary is acquired after the date of issue of the Notes, *provided that*:

- (A) such Security Interest existed at the date of such acquisition;
- (B) such Security Interest was not created in contemplation of such acquisition; and
- (C) the amount thereby secured has not been increased in contemplation of, or since the date of, such acquisition,

and any Security Interest over the same undertaking or asset which is given for the purpose of, and to the extent of, the refinancing of any such Relevant Indebtedness;

- (iii) any Security Interest as shall have been previously approved in writing by the Trustee (which may only be so approved if the Trustee is of the opinion that to do so will not be materially prejudicial to the interests of the Noteholders); and
- (iv) any other Security Interest, provided that the amount of Relevant Indebtedness secured thereby together with the aggregate amount of all other Relevant Indebtedness secured by Security Interests permitted by this paragraph (iv), is less than £20,000,000 (or its equivalent in any other currency or currencies);

(e) **“Principal Subsidiary”** means at any time a Subsidiary of the Parent Guarantor:

- (i) whose profits before tax or whose gross assets (in each case, as shown in its most recent annual audited accounts and consolidated in the case of a Subsidiary which ordinarily produces consolidated accounts) represent in each case (or, in the case of a Subsidiary acquired after

the end of the financial period to which the then latest audited consolidated accounts of the Group relate, are equal to) not less than 10 per cent. of the consolidated profits before tax, or, as the case may be, consolidated gross assets, of the Group taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Group; provided that in the case of a Subsidiary of the Parent Guarantor acquired after the end of the financial period to which the then latest audited consolidated accounts of the Parent Guarantor and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Parent Guarantor and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Parent Guarantor;

- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Parent Guarantor which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (d)(ii) on the date on which the consolidated accounts of the Group for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (d)(i) above; or
- (iii) to which is transferred an undertaking or assets which, when taken together with the undertaking or assets of the transferee Subsidiary, (i) generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Group relate, generate) profits before tax equal to not less than 10 per cent. of the consolidated profits before tax of the Parent Guarantor, or (ii) represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated gross assets of the Group taken as a whole, all as calculated as referred to in subparagraph (d)(i) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate profits before tax equal to) not less than 10 per cent. of the consolidated profits before tax of the Group taken as a whole, or its assets represent

(or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Group taken as a whole, all as calculated as referred to in subparagraph (d)(i) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (d)(iii) on the date on which the consolidated accounts of the Group for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (d)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

and a report by two Authorised Signatories of the Parent Guarantor (addressed to the Trustee) that in their opinion a Subsidiary is or is not or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied on by the Trustee without liability to any person and without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error be conclusive and binding on all parties;

- (f) **“Relevant Indebtedness”** means any Indebtedness for Borrowed Money which is in the form of, or represented or evidenced by, bonds, notes, debentures, debenture stock, loan stock or other securities which for the time being are, or are intended to be, or are capable of being, quoted, listed, dealt in or traded on any stock exchange or other recognised securities market, other than (i) indebtedness which has a stated maturity not exceeding one year or (ii) Non-recourse Indebtedness; and
- (g) **“Subsidiary”** means any entity which is for the time being a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

5. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. If the applicable Final Terms state that a Broken Amount is to apply to an Interest Payment Date, the amount of interest payable on such Interest Payment Date shall be the relevant Broken Amount specified in the applicable Final Terms.

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 comprises 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 of that multiple without any further rounding.

In this Condition 5(a), “**Day Count Fraction**” means:

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment 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 (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

“**Determination Period**” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment 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, one cent.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified 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.

Such interest will be payable in respect of each Interest Period. In these Terms and Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would

otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, 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 (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) 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
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is both:

- (A) 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 specified in the applicable Final Terms; and
- (B) either (1) 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 and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system (“**T2**”) is open.

(ii) *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.

(A) *Screen Rate Determination for Floating Rate Notes – Not Referencing SONIA or SOFR*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Notes is not specified in the applicable Final Terms as being SONIA, the Rate of Interest for each Interest Period will, subject to Condition 5(b)(iii) (*Interest - Interest on Floating Rate Notes - Minimum and/or Maximum Rate of Interest*) and Condition 5(c) (*Benchmark Discontinuation*), and as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(B) *Screen Rate Determination for Floating Rate Notes – Referencing SONIA – Non-Index Determination*

Where (x) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be

determined, (y) Index Determination is specified in the applicable Final Terms as Not Applicable and (z) the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being SONIA, the Rate of Interest for each Interest Period will, subject to Condition 5(b)(iii) (*Interest - Interest on Floating Rate Notes - Minimum and/or Maximum Rate of Interest*) and Condition 5(c) (*Benchmark Discontinuation*), and as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

“Compounded Daily SONIA” means with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily SONIA as the Reference Rate for the calculation of interest) and will be calculated by the Principal Paying Agent as at the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

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

where:

“**d**” is the number of calendar days in: (i) (where in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) the relevant Interest Period; or (ii) (where in the applicable Final Terms “Shift” is specified as the Observation Method) the relevant Observation Period;

“**d_o**” means: (i) (where in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) for any Interest Period, the number of London Banking Days in the relevant Interest Period; or (ii) (where in the applicable Final Terms “Shift” is specified as the Observation Method) for any Observation Period, 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: (i) (where in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) in the relevant Interest Period; or (ii) (where in the applicable Final Terms “Shift” is specified as the Observation Method) in the relevant Observation Period;

“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 ”, 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, in respect of an Interest Period, the period from and including the date falling **“ p ”** London Banking Days prior to the first day of the relevant Interest Period and ending on, but excluding, the date falling **“ p ”** London Banking Days prior to the Interest Payment Date for 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 (save as specified in the applicable Final Terms) the number of London Banking Days included in the **Observation Look-Back Period**, as specified in the applicable Final Terms or, if no such number is specified:

- (a) five London Banking Days where in the applicable Final Terms **“Lag”** or **“Shift”** is specified as the Observation Method; or
- (b) zero London Banking Days where in the applicable Final Terms **“Lock-out”** is specified as the Observation Method;

the **“SONIA reference rate”**, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (**“SONIA”**) rate for such London Banking Day 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 such London Banking Day); and

“SONIA $_i$ -pLBD” means:

- (a) where in the applicable Final Terms **“Lag”** is specified as the Observation Method, (save as specified in the applicable Final Terms) in respect of any London Banking Day **“ i ”**, the SONIA reference rate for the London Banking Day (and published on the following London Banking Day) falling **“ p ”** London Banking Days prior to such London Banking Day **“ i ”** in the relevant Interest Period;
- (b) where in the applicable Final Terms **“Lock-out”** is specified as the Observation Method, (save as specified in the applicable

Final Terms) SONIA_i, where SONIA_i is the SONIA reference rate for the London Banking Day “i” in the relevant Interest Period (and published on the following London Banking Day), except that in respect of each London Banking Day “i” falling on or after the “Lock-out date” specified in the applicable Final Terms (and where no “Lock-out date” is specified, the “Lock-out date” shall be the London Banking Day falling five London Banking Days prior to the relevant Interest Payment Date) until and including the final London Banking Day in the relevant Interest Period, the SONIA reference rate in respect of such “Lock-out date”; or

- (c) where in the applicable Final Terms “Shift” is specified as the Observation Method, (save as specified in the applicable Final Terms) SONIA_i, where SONIA_i is the SONIA reference rate for the London Banking Day “i” in the relevant Observation Period (and published on the following London Banking Day).

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA reference rate in respect of any London Banking Day. The SONIA reference rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA reference rate for the previous London Banking Day but without compounding.

If, in respect of any London Banking Day in the relevant Observation Period, the Principal Paying Agent determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors then (unless the Principal Paying Agent (or other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) has been notified of any Successor Rate or Alternative Reference Rate (and any related Adjustment Spread) pursuant to Condition 5(c) (*Benchmark Discontinuation*), if applicable), such SONIA reference rate shall be:

- A. (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking 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 the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- B. if the Bank Rate is not published by the Bank of England at 5.00 pm on the relevant London Banking Day, 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 on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraph above, if the Bank of England publishes guidance as to: (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Principal Paying Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for the purpose of the relevant Series of Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to these Conditions, the Trust Deed or the Agency Agreement are required in order for the Principal Paying Agent to follow such guidance in order to determine the SONIA reference rate, the Principal Paying Agent shall have no obligation to act until such amendments or modifications have been made in accordance with these Conditions, the Trust Deed or the Agency Agreement.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent, 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 specified in the applicable 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 or Maximum Rate of Interest or Minimum Rate of Interest 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).

If the relevant Series of Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(C) *Screen Rate Determination for Floating Rate Notes – Referencing SONIA – Index Determination*

Where (x) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (y) Index Determination is specified in the applicable Final Terms as 'Applicable' and (z) the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being SONIA, the Rate of Interest for each Interest Period will, subject to Condition 5(b)(iii) (*Interest - Interest on Floating Rate Notes - Minimum and/or Maximum Rate of Interest*) and Condition 5(c) (*Benchmark Discontinuation*), and as provided below, be Compounded Daily SONIA Rate plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

"Compounded Daily SONIA Rate" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily SONIA as the 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 Principal Paying 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" 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;

"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 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 Period;

“SONIA Compounded Index_{End}” means, with respect to an Interest 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 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 Period); and

the **“SONIA reference rate”**, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (**“SONIA”**) rate for such London Banking Day 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 such London Banking Day).

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 Period for which the SONIA Compounded Index is not available shall be Compounded Daily SONIA determined in accordance with Condition 5(b)(ii)(C) 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 Shift and (ii) the Observation Lookback 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.

(D) *Screen Rate Determination for Floating Rate Notes – Referencing SOFR – Non-Index Determination*

Where (x) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (y) Index Determination is specified in the applicable Final Terms as Not Applicable and (z) the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being either Compounded Daily SOFR or Weighted Average SOFR, this Condition 5(b)(ii)(D) applies.

Where the applicable Final Terms specifies the Reference Rate to be Compounded Daily SOFR, the provisions of paragraph A. below of this Condition 5(b)(ii)(D) apply.

Where the applicable Final Terms specifies the Reference Rate to be Weighted Average SOFR, the provisions of paragraph B. below of this Condition 5(b)(ii)(D) apply.

A. Compounded Daily SOFR

Where this paragraph A. applies, the Rate of Interest for an Interest Period will, subject to Condition 5(b)(iii) (*Interest – Interest on Floating Rate Notes – Minimum and/or Maximum Rate of Interest*) and Condition 5(c) (*Benchmark Discontinuation*), and as provided below, be Compounded Daily SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin.

“Compounded Daily SOFR” means with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily US dollars secured overnight financing rate as reference rate for the calculation of interest) and will be calculated by the Principal Paying 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 in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) the relevant Interest Period; or (ii) (where in the applicable Final Terms “Shift” is specified as the Observation Method) 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 in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) for any Interest Period, the number of US Government Securities

Business Days in the relevant Interest Period; or (ii) (where in the applicable Final Terms “Shift” is specified as the Observation Method) for any Observation Period, the number of US Governmental Securities Business Days in the relevant Observation Period;

“**I**” is a series of whole numbers from one to d_o , each representing the relevant US Government Securities Business Day in chronological order from, and including, the first US Government Securities Business Day: (i) (where in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) in the relevant Interest Period; or (ii) (where in the applicable Final Terms “Shift” is specified as the Observation Method) in 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 US Government Securities Business Day “**I**”, means the number of calendar days from and including such US Government Securities Business Day “**I**” up to but excluding the following US Government Securities Business Day;

“**Observation Period**” means, in respect of an Interest Period, the period from and including the date falling “**p**” US Government Securities Business Days prior to the first day of the relevant Interest Period and ending on, but excluding, the date falling “**p**” US Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “**p**” US Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**p**” means: (save as specified in the applicable Final Terms) the number of US Government Securities Business Days included in the **Observation Look-Back Period**, as specified in the applicable Final Terms or, if no such number is specified:

- (a) where “Lag” is specified as the Observation Method in the applicable Final Terms, five US Government Securities Business Days;

- (b) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, zero US Government Securities Business Days; or
- (c) where “Shift” is specified as the Observation Method in the applicable Final Terms, five US Government Securities Business Days;

“Reference Day” means each US Government Securities Business Day in the relevant Interest Period, other than any US Government Securities Business Day in the Lock-out Period;

“SOFR” in respect of any US Government Securities Business Day (**USBDx**), 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 US Government Securities Business Day immediately following such USBDx;

“SOFR_i” means the SOFR for:

- (a) where “Lag” is specified as the Observation Method in the applicable Final Terms, the US Government Securities Business Day falling “*p*” US Government Securities Business Days prior to the relevant US Government Securities Business Day “*t*”;
- (b) where “Lock-out” is specified as the Observation Method in the applicable Final Terms:
 - (1) in respect of each US Government Securities Business Day “*t*” that is a Reference Day, the SOFR in respect of the US Government Securities Business Day immediately preceding such Reference Day; or
 - (2) in respect of each US Government Securities Business Day “*t*” that is not a Reference Day (being a US Government Securities Business Day in the Lock-out Period), the SOFR in respect of the US Government Securities Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date); or

- (3) where “Shift” is specified as the Observation Method in the applicable Final Terms, the relevant US Government Securities Business Day “*T*”; and

“US 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 US government securities.

B. Weighted Average SOFR

Where this paragraph B. applies, the Rate of Interest for an Interest Period will, subject to Condition 5(b)(iii) (*Interest – Interest on Floating Rate Notes – Minimum and/or Maximum Rate of Interest*) and Condition 5(c) (*Benchmark Discontinuation*), and as provided below, be the Weighted Average SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as calculated by the Principal Paying 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:

- (a) 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 US Government Securities Business Day shall be deemed to be the SOFR in effect for the US Government Securities Business Day immediately preceding such calendar day; and
- (b) 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 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 Period, *provided* however that for any calendar day of such Interest

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 US Government Securities Business Day shall, subject to the proviso above, be deemed to be the SOFR in effect for the US 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 5(b)(ii)(D).

C. SOFR Unavailable

Subject to Condition 5(b)(iii) (*Interest – Interest on Floating Rate Notes – Minimum and/or Maximum Rate of Interest*) and Condition 5(c) (*Benchmark Discontinuation*), if, where any Rate of Interest is to be calculated pursuant to this Condition 5(b)(ii)(D), in respect of any US 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 US 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 paragraph C. of this Condition 5(b)(ii)(D) but without prejudice to Condition 5(c) (*Benchmark Discontinuation*), the Rate of Interest shall be calculated in accordance, *mutatis mutandis*, with the provisions of the penultimate paragraph of Condition 5(b)(ii)(B).

If the relevant Series of Notes become due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(E) *Screen Rate Determination for Floating Rate Notes – Referencing SOFR – Index Determination*

Where (x) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be

determined, (y) Index Determination is specified in the applicable Final Terms as Applicable and (z) the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being Compounded Daily SOFR, this Condition 5(b)(ii)(E) applies.

- (1) The Rate of Interest for an Interest Period will, subject to Condition 5(b)(iii) (*Interest – Interest on Floating Rate Notes – Minimum and/or Maximum Rate of Interest*) and Condition 5(c) (*Benchmark Discontinuation*), and as provided below, be the Compounded SOFR with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Principal Paying Agent.

“Compounded SOFR” means, with respect to an Interest 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 Principal Paying Agent in accordance with the following formula:

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

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 US 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 US Government Securities Business Day (the “**SOFR Determination Time**”);

“**SOFR Index_{Start}**,” with respect to an Interest Period, is the SOFR Index value for the day which is the Relevant Number of US Government Securities Business Days preceding the first day of such Interest Period;

“**SOFR Index_{End}**,” with respect to an Interest Period, is the SOFR Index value for the day which is the Relevant Number of US Government Securities Business Days preceding (A) the Interest Payment Date for such Interest 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 Period); and

US 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 US government securities.

- (2) 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 Period for which the relevant SOFR Index is not available shall be “Compounded Daily SOFR” determined in accordance with Condition 5(b)(ii)(D) 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 “*Shift*” and (ii) the “*Observation Look-back Period*” shall be deemed to be equal to the Relevant Number of US Government Securities Business Days, as if such alternative elections had been made in the applicable Final Terms.

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

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Notes 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.

The Principal Paying Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (x) the Notes represented by such Global Note or (y) such Registered Notes; or
- (B) in the case of Floating Rate Notes which are Bearer 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 Floating Rate Note which is a Bearer Note in definitive form comprises a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount of that multiple without any further rounding.

Notwithstanding anything included in the prospectus, final terms/pricing supplements and/or any other transaction document (the “**Transaction Documents**”) for any series of Notes to the contrary, the Issuer agrees that the Principal Paying Agent will have no obligation to exercise any discretion (including, but not limited to, determinations of alternative or substitute benchmarks, successor reference rates, screen pages, interest adjustment factors/fractions or spreads, market disruptions, benchmark amendment conforming changes, selection and polling of reference banks), and to the extent the Transaction Documents for any series of Notes requires the Principal Paying Agent to exercise any such discretions and/or make such determinations, such references shall be construed as the Issuer or its financial adviser or alternate agent appointed by the Issuer exercising such discretions and/or determinations and/or actions and not the Principal Paying Agent.

In this Condition 5(b), “**Day Count Fraction**” means:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period

falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

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

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

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

“D₁” is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

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

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

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

“D₁” is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D₂ will be 30.

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest 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 Interest Period falls;

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

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

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

“D₁” is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D₂ will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Notes is not specified in the applicable Final Terms as being SONIA, the Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified promptly to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (and in any event no later than the first day of the relevant Interest Period) and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

Where (x) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and (y) the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being SONIA, the Principal Paying 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 Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (and in any event no later than the first day of the relevant Interest Period) and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the second London 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 prior notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment or alternative arrangements will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with 14 (*Notices*). For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a

Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *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 5(b), by the Principal Paying Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Parent Guarantor, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Parent Guarantor, the Noteholders or the Couponholders shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(vii) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

(c) ***Benchmark Discontinuation***

This Condition 5(c) (*Benchmark Discontinuation*) applies in respect of each issue of Floating Rate 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 5(c)(i) (*Benchmark Replacement*) apply, together with the other provisions of this Condition 5(c) (other than Condition 5(c)(ii) (*Benchmark Transition*)).

If the applicable Final Terms specifies “Benchmark Transition” to be Applicable, the provisions of Condition 5(c)(ii) (*Benchmark Transition*) apply, together with the other provisions of this Condition 5(c) (other than Condition 5(c)(i) (*Benchmark Replacement*)).

(i) *Benchmark Replacement*

Notwithstanding the provisions above in this Condition 5 (*Interest*), if the Issuer (in consultation with the Principal Paying Agent) determines that a Benchmark Event has occurred in relation to an Original Reference Rate 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:

(1) *Independent Adviser*

The Issuer shall use reasonable endeavours to appoint as soon as reasonably practicable, and consult with, an Independent Adviser (as defined below) to determine (acting in good faith and in a commercially reasonable manner and in consultation with the Issuer), no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate (as defined below) or, alternatively, if 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 and, in either case, an Adjustment Spread (as defined below) and any changes to these Conditions in accordance with Condition 5(c)(i)(3).

(2) *Successor Rate or Alternative Reference Rate*

If a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the Independent Adviser (in consultation with the Issuer), in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(c)(i) (*Benchmark Replacement*)); provided, however, that if the Independent Adviser (in consultation with the Issuer) is unable to or does not determine a Successor Rate or an Alternative Reference Rate or (in either case) the applicable Adjustment Spread prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph (2) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(c)(i) (*Benchmark Replacement*).

(3) *Benchmark related changes*

If the Independent Adviser (in consultation with the Issuer) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in

order to follow market practice (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) in relation to the Successor Rate or the Alternative Reference Rate (as applicable) (such amendments, the "**Benchmark Amendments**"). If the Independent Adviser (in consultation with the Issuer) determines that an Adjustment Spread is required to be applied to the Successor Rate or the 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 the Successor Rate or the Alternative Reference Rate (as applicable). For the avoidance of doubt, each of 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 5(c)(i) (*Benchmark Replacement*) and each of the Trustee and the Principal Paying Agent shall not be liable to any party for any consequences thereof; notwithstanding the above the Trustee shall not be obliged to effect such changes if, in the sole opinion of the Trustee, doing so would impose more onerous obligations on it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or 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 way. Noteholder or Couponholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or Principal Paying Agent (if required).

- (4) For the purposes of this Condition 5(c)(i) (*Benchmark Replacement*):

"Adjustment Spread" means a spread or formula or methodology for calculating a spread (which, for the avoidance of doubt, may be positive, negative or zero), which the Independent Adviser (in consultation with the Issuer) 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 with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) 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) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

- (C) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"Alternative Reference Rate" means the rate that the Independent Adviser determines has replaced the relevant Reference Rate 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, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate;

"Benchmark Event" means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist or be administered; or
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing 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) and (ii) the date falling three months prior to the specified date referred to in (B)(i); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that either: (i) the Original Reference Rate has been permanently or indefinitely discontinued; or (ii) the Original Reference Rate is no longer representative of an underlying market; or
- (D) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be

prohibited from being used either generally, or in respect of the Notes, in each case on or before a specified date and (ii) the date falling three months prior to the specified date referred to in (D)(i); or

- (E) it has become unlawful for any Paying Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

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

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part 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 include any such Successor Rate or Alternative Rate);

"Relevant Nominating Body" means, in respect of a reference rate:

- (A) the central bank for the currency to which the reference rate relates, or any 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
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

"Successor Rate" means the rate that the Independent Adviser determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(ii) *Benchmark Transition*

Notwithstanding the provisions above in this Condition 5 (*Interest*), 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:

(1) *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 Independent Adviser (in consultation with 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 5(c)(ii) (*Benchmark Transition*) with respect to such Benchmark Replacement) and any Benchmark Replacement Conforming Changes.

Any Benchmark Replacement so determined shall have effect for any subsequent determination of any relevant Rate of Interest (subject to any further application of this Condition 5(c)(ii) (*Benchmark Transition*) 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 5(c)(ii) (*Benchmark Transition*), notwithstanding that such determinations are not made following consultation with an Independent Adviser. If, however, the Independent Adviser (in consultation with the Issuer) is unable to determine a Benchmark Replacement in accordance with this Condition 5(c)(ii) (*Benchmark Transition*), 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, with the effect that the fallback provisions provided in Condition 5(b)(ii) (*Rate of Interest*) will continue to apply to such determination; provided that, the preceding sentence shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(c)(i) (*Benchmark Replacement*).

(2) *Benchmark Replacement Conforming Changes*

If the Independent Adviser (in consultation with the Issuer) considers it is necessary to make Benchmark Replacement Conforming Changes, the Independent Adviser (in consultation with the Issuer) shall determine the terms of such Benchmark Replacement Conforming Changes, and shall, subject to giving notice in accordance with Condition 5(c)(iii) (*Notice*) (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 5(c)(iii) (*Notice*) 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 5(c)(ii) (*Benchmark Transition*), 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.

(3) For the purposes of this Condition 5(c)(ii) (*Benchmark Transition*):

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser (in consultation with the Issuer) as of the Benchmark Replacement Date:

- (A) 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;

- (B) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (C) 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 Independent Adviser (in consultation with the Issuer) as of the Benchmark Replacement Date:

- (A) 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;
- (B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (C) 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, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Independent Adviser (in consultation with the Issuer) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in consultation with the Issuer) decides that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in consultation with the Issuer) determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the

Independent Adviser (in consultation with the Issuer) 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):

- (A) in the case of clause (A) or (B) 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
- (B) in the case of clause (C) 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 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):

- (A) 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
- (B) 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

- (C) 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 (other than the Issuer or its affiliates) or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

“ISDA Definitions” means the 2006 ISDA Definitions as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc.;

“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 originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any 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.

(iii) *Notice*

The Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate and/or Benchmark Replacement (as applicable), give notice thereof to the Trustee, the Principal Paying Agent and the Noteholders, which shall be irrevocable and shall specify the effective date(s) for such Successor Rate, Alternative Reference Rate and/or Benchmark Replacement (as applicable) and any consequential changes made to these Conditions, the Trust Deed or the Agency Agreement, provided that the determination of any Successor Rate or Alternative Reference Rate, Benchmark Replacement and any other related changes to the Notes, shall be made in accordance with the relevant capital adequacy requirements (if applicable).

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer confirming (a) that a Benchmark Event or a Benchmark Transition Event has occurred (as applicable), (b) the Successor Rate or Alternative Reference Rate (and, in either case, the applicable Adjustment Spread) or the Benchmark Replacement (as applicable), and (c) the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes (if any), as applicable, in each case as determined in accordance with the provisions of this Condition 5(c) (*Benchmark Discontinuation*).

6. **Payments**

(a) ***Method of payment***

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal

financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

- (ii) 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, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 8 (Taxation); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the US 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 (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto, and neither the Issuer nor the Parent Guarantor (as the case may be) shall be required to pay any additional amounts under Condition 8 (Taxation) on account of any such deduction or withholding described in this limb (ii).

(b) ***Presentation of definitive Bearer Notes and Coupons***

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later,

five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form 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 date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (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. A “**Long Maturity Note**” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) ***Payments in respect of Bearer Global Notes***

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and 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 the Principal Paying Agent. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made:

- (i) in respect of any bearer Global Note which is not in NGN form, against presentation or surrender of such Bearer Global Note, on such Bearer Global Note by the Principal Paying Agent to which it is presented, and such record shall be prima facie evidence that the payment in question has been made; or
- (ii) in respect of any bearer Global Note in NGN form, in the records of Euroclear and Clearstream, Luxembourg, as applicable, and such records shall be conclusive evidence that the payment in question has been made.

(d) ***Payments in respect of Registered Notes***

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “**Register**”) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than US\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the “**Record Date**”) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each

Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

If the registered Global Note is held under the NSS, the Issuer shall procure that details of each payment made in accordance with this Condition shall be entered *pro rata* in the records of the relevant clearing system and in the case of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the registered Global Note will be reduced accordingly.

None of the Issuer, the Parent Guarantor or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) ***General provisions applicable to payments***

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Parent Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial 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 or, as the case may be, the Parent Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in US dollars, such US dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in US dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Parent Guarantor, adverse tax consequences for the Issuer or the Parent Guarantor.

(f) ***Payment Day***

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 9 (*Prescription*)) is:

- (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 (a) in the case of Notes in definitive form only, the relevant place of presentation and (b) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) (A) (in the case of a payment in a 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 such currency; or
(B) (in the case of a payment in euro) a day on which T2 is open.

(g) ***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:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and

- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer 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 8 (*Taxation*).

7. Redemption and Purchase

Neither the Issuer nor the Parent Guarantor shall be at liberty to redeem or purchase the Notes, except in accordance with the following provisions of this Condition.

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for tax reasons*

Subject to Condition 7(e), the Notes may be redeemed at the option of the Issuer in whole, but not in part, 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), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee, the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or the Parent Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation or requirement cannot be avoided by the Issuer or, as the case may be, the Parent Guarantor taking reasonable measures available to it,

PROVIDED that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Parent Guarantor would be obliged to pay such additional amounts or give effect to such treatment, as the case may be, were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (i) a certificate signed by two Authorised Signatories of the Issuer or, as the case may be, two Authorised Signatories of the Parent Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers or accountants of recognised standing to the effect that the Issuer or, as the case may be, the Parent Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) ***Redemption at the option of the Issuer (Issuer Call)***

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Trustee, the Principal Paying Agent (and, in the case of a redemption of Registered Notes, the Registrar) and, in accordance with Condition 14 (*Notices*) the Noteholders (which notices 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) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice the Issuer shall be bound to redeem the Notes accordingly. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount nor more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. 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 30 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 the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days 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 paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) at least five days prior to the Selection Date.

In this Condition 7(c), the “**Optional Redemption Amount(s)**” shall be, as specified in the applicable Final Terms, (i) the Make Whole Redemption Price or (ii) the amount per Calculation Amount specified in the applicable Final Terms.

If Spens Amount is specified in the Final Terms, the Make Whole Redemption Price shall be an amount equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed and (ii) the principal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer and the Trustee by the Determination Agent, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Determination Agent.

If Make Whole Redemption Amount is specified in the Final Terms, the Make Whole Redemption Price shall be an amount calculated by the Determination Agent as being equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed and (ii) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual, semi-annual or such other basis as is equivalent to the frequency of interest payments on the Notes (as determined by the Determination Agent) (based on the Day Count Fraction specified in the applicable Final Terms) at the Reference Bond Rate, plus the Redemption Margin.

In this Condition 7(c):

“**DA Selected Bond**” means a government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term to the Maturity Date, 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 Specified Currency and of a comparable maturity to the remaining term to the Maturity Date.

“Determination Agent” means an investment bank or financial institution of international standing selected by the Issuer after consultation with the Trustee.

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

“Redemption Margin” shall be as set out in the applicable Final Terms.

“Reference Bond” shall be as set out in the Final Terms or the DA Selected Bond.

“Reference Bond Price” means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, (B) if the Determination Agent obtains fewer than four but more than one such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations, (C) if the Determination Agent obtains only one such Reference Government Bond Dealer Quotation, such quotation so obtained, or (D) if no Reference Government Bond Dealer Quotations are provided, the price determined by the Determination Agent (or failing which the Issuer, in consultation with the Determination Agent), acting in a commercially reasonable manner, at such time and by reference to such sources as it deems appropriate.

“Reference Bond Rate” means, with respect to any Optional Redemption Date as specified in the applicable Final Terms, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Optional Redemption Date.

“Reference Date” will be set out in the relevant notice of redemption.

“Reference Government Bond Dealer” means each of five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

“Reference Government Bond Dealer Quotations” means, with respect to each Reference Government Bond Dealer and any Redemption Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the Final Terms on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer.

“Remaining Term Interest” means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term to the Maturity Date determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date.

(d) **Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified as being applicable in the applicable Final Terms, then, 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 14 (*Notices*), 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 subject to, and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part) such Note on the 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 5 (*Interest*)) falling within the notice period at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), 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 or, as the case may be, the Registrar (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 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b) (*Transfers of Registered Notes in definitive form*). If this Note is represented by a Global Note and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream,

Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by (i) a Bearer Global Note which has not been issued in NGN form as specified in the applicable Final Terms, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly or (ii) a Global Note which has been issued in NGN form or is held under the NSS as specified in the applicable Final Terms, instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (*Events of Default*) in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

(e) ***Early Redemption Amounts***

For the purpose of paragraph (b) above and Condition 10 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“RP” means the Reference Price; and

“AY” means the Accrual Yield expressed as a decimal; and

“y” is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) 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 and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days 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 and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days 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 and the denominator will be 365).

(f) ***Purchases***

The Issuer, the Parent Guarantor or any other Subsidiary of the Parent Guarantor, any holding company of the Parent Guarantor or any subsidiary of any such holding company, may (notwithstanding Conditions 7(a), (b), (c) and (d) above) at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) in any manner or at any price.

(g) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold. Notes purchased by the Issuer, the Parent Guarantor or any other Subsidiary of the Parent Guarantor, any holding company of the Parent Guarantor or any subsidiary of any such holding company may be held or resold, or surrendered for cancellation.

(h) ***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 paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) 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 paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

8. Taxation

All payments of principal and interest in respect of the Notes and Coupons by the Issuer or the Parent Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Parent Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment by or by a third party on behalf of a holder who (i) could avoid such withholding or deduction if, after having been requested to make such a declaration or claim, such holder fails to do so by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or (ii) is liable for such taxes or duties in respect of such Note or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (b) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6(f)) in the place of surrender.

In these Terms and Conditions:

- (i) “**Tax Jurisdiction**” means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such

moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

9. Prescription

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10. Events of Default

(a) Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer and the Parent Guarantor that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (each, an “**Event of Default**”):

- (i) if default is made for a period of 14 days or more in the payment of any interest or for a period of 7 days or more in the payment of principal due in respect of the Notes or any of them; or
- (ii) if the Issuer or the Parent Guarantor fails to perform or observe any obligation, condition or provision binding upon it under the Notes or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes) and (except in any case where the Trustee considers the failure to be incapable of remedy or cure when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer or the Parent Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (iii) if (A) any Indebtedness for Borrowed Money of the Issuer, the Parent Guarantor or any Principal Subsidiary (as defined below), other than Non-recourse Indebtedness, is not paid when due, or if later and applicable, by the expiry of any applicable grace period; (B) any Indebtedness for Borrowed Money of the Issuer, the Parent Guarantor

or any Principal Subsidiary, other than Non-recourse Indebtedness, is declared to be, or automatically becomes due and payable as a result of an event of default (howsoever defined) prior to its stated maturity; or (C) default is made by the Issuer, the Parent Guarantor or any Principal Subsidiary in making any payment due and called upon (or, if later and if applicable, by the expiry of any applicable grace period) under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that the aggregate of all such Indebtedness for Borrowed Money, guaranties and indemnities in (A), (B), and (C) above is at least £20,000,000 (or its equivalent from time to time in other currencies); or

- (iv) if an order is made by any competent court or an effective resolution passed for the winding-up of, or an administration order is made in relation to, the Issuer, the Parent Guarantor or any Principal Subsidiary (as defined below), save (A) with the prior written consent of the Trustee or the prior sanction of an Extraordinary Resolution of the Noteholders, or (B) in the case of a Principal Subsidiary, for a voluntary solvent winding-up where surplus assets are available for distribution and are distributed to another member of the Group; or
- (v) if (a) the Parent Guarantor ceases to be an institution with a Part IV permission under the FSMA (including a permission to accept deposits); or (b) (except for a Permitted Disposal) any member of the Group Disposes of any undertaking, property or assets (whether by a single transaction or by a number of transactions, whether related or not, occurring within the period commencing on the date of publication of the annual audited consolidated balance sheet of the Group for each financial year of the Group and ending on the date of publication of the annual audited consolidated balance sheet of the Group for the next financial year of the Group) which constitutes more than 25% of the total assets of the Group as shown in the most recent publicly available annual audited consolidated balance sheet of the Group at the time of any such Disposal; or
- (vi) if the Issuer or the Parent Guarantor ceases, or threatens through an official action of its board of directors to cease, to carry on the whole or substantially the whole of its business, save for the purposes of, or in connection with, a reconstruction, reorganisation, amalgamation or other matter the terms of which have been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders;
- (vii) if the Issuer, the Parent Guarantor or any Principal Subsidiary stops payment to its creditors generally, or is unable to pay its debts within the meaning of Section 123(1)(e) or Section 123(2) of the Insolvency Act 1986; or

- (viii) if an encumbrancer takes possession of, or an administrative or other receiver or an administrator is appointed over, the whole or any substantial part of the undertaking, property or assets (excluding any undertaking, property or assets over which a Security Interest has been given to secure any Non-recourse Indebtedness) of the Issuer, the Parent Guarantor or any Principal Subsidiary, or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking, property or assets (excluding any undertaking, property or assets over which a Security Interest has been given to secure any Non-recourse Indebtedness) of the Issuer, the Parent Guarantor or any Principal Subsidiary, and, in the case of any of the foregoing events (other than the appointment of an administrator), is not discharged within 30 days; or
- (ix) if the Issuer or the Parent Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (x) if the Guarantee ceases to be, or is claimed by the Issuer or the Parent Guarantor not to be, in full force and effect; or
- (xi) if any event occurs which under the laws of the relevant jurisdiction has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (iv), (vii), (viii) or (ix) above;

PROVIDED, in the case of any such event other than those described in subparagraphs (i), (iv) (in relation to the Issuer or the Parent Guarantor only), (vii) (in relation to the Issuer or the Parent Guarantor only), (x) and (xi) (in the case of any event having an analogous effect to a winding up or dissolution of the Issuer or the Parent Guarantor) above, the Trustee shall have certified to the Issuer and the Parent Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders.

(b) **Enforcement**

- (i) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Parent Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (b) it

shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

- (ii) No Noteholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Parent Guarantor or prove in the winding-up of the Issuer or the Parent Guarantor unless the Trustee, having become bound to do so, fails or is unable to do so within 60 days and such failure or inability is continuing, in which event any such holder may, on giving an indemnity and/or security satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute such proceedings and/or prove in the winding-up of the Issuer and/or the Parent Guarantor to the same extent and in the same jurisdiction (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes, the Trust Deed and/or the Guarantees.

(c) ***Interpretation***

For the purposes of these Conditions:

“Disposes” means, in relation to any undertaking, property or assets, a sale, transfer, lease or other disposal thereof and **“Disposal”** shall be construed accordingly; and

“Permitted Disposal” means a Disposal:

- (i) of cash in consideration of an acquisition of any undertaking, property or assets to be used in the business of the Group; or
- (ii) made in the ordinary course of business; or
- (iii) to another member of the Group; or
- (iv) for fair market value on arm's length terms where the proceeds are applied within 180 days of receipt in the business of the Group for reinvestment, repayment of liabilities of the Group which have been incurred on arm's length terms, or working capital purposes.

11. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be 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 Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses 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.

12. Agents

The names of the initial Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent, a Paying Agent, a Transfer Agent and a Registrar; and
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(e). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Parent Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. Exchange of Talons

On and after the Interest Payment Date 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 Principal Paying 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 9 (*Prescription*).

14. Notices

All notices regarding the Bearer Notes will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication will normally be made in the Financial Times. The Issuer shall

also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. 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.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

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 Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Parent Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Noteholders

holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. 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 so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including but not limited to modifying the date of maturity of the Notes or any date for payment of principal or interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting, one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Trust Deed provides for a resolution, with or without notice, in writing signed by or on behalf of the holder or holders of not less than 90 per cent. of the principal amount of the Notes for the time being outstanding to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification, or to the waiver or authorisation, of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do, or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall, unless the Trustee agrees otherwise, be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in (and subject to the terms of) Condition 5(c) (*Benchmark Discontinuation*) without the consent of the Noteholders or Couponholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division

thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Parent Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of the Parent Guarantor or any other Subsidiary of the Parent Guarantor, subject to (a) (except in the case of the substitution of the Parent Guarantor) the Notes being unconditionally and irrevocably guaranteed by the Parent Guarantor on the same basis as for the substituted Issuer, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

16. Indemnification of the Trustee and Trustee contracting with the Issuer and/or the Parent Guarantor and the Trustee's retirement and removal

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia, (a) to enter into business transactions with the Issuer, the Parent Guarantor and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Parent Guarantor and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed contains provisions allowing the Trustee to retire at any time on giving not less than 60 days' prior written notice to the Issuer and the Parent Guarantor without giving any reason and without being responsible for any Expenses (as defined in the Trust Deed) incurred by such retirement. The Noteholders may by Extraordinary Resolution remove any trustee or trustees for the time being of the Notes. The Trust Deed provides that the retirement or removal of any such Trustee shall not become effective until a successor trustee (being a trust corporation) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution under the Trust Deed, the Issuer and the Parent Guarantor shall use their best endeavours to procure that a new trustee is appointed as soon as reasonably practicable. If no appointment has become effective within 60 days of such notice or Extraordinary Resolution, the Trust Deed provides that the Trustee shall be entitled to appoint a trust corporation. No appointment of a trustee shall take

effect unless previously approved by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

17. Further Issues

The Issuer is at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue.

18. 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.

19. Governing Law

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be on lent by the Issuer to the Parent Guarantor and applied by the Group for its general corporate purposes.

CLOSE BROTHERS FINANCE PLC

Close Brothers Finance plc is a finance vehicle and a subsidiary of the Group. It was incorporated under the Companies Act 1985 on 14 November, 2001 in England and Wales as a public company with limited liability (registered number 4322721 and Legal Entity Identifier 213800URQKPVH3SJB16). The Issuer is a subsidiary of Close Brothers Limited. The authorised and issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each of which 49,999 are held by Close Brothers Limited and one is held by Close Brothers Group plc.

The registered office of the Issuer is 10 Crown Place, London EC2A 4FT and its telephone number is +44 (0)333 321 6100.

Directors

The Directors of the Issuer and their respective occupations are:

<i>Director</i>	<i>Business Occupation within Close Brothers Finance plc</i>	<i>External Directorships</i>
Ashley Lillie	Director	None
Mike Morgan	Director	None
Robert Sack	Director	None

The business address of each of the Directors of the Issuer is that of the registered office set out above and at the back of this Prospectus.

There are no potential conflicts of interest between the duties to the Issuer of the Directors and their private interests and/or other duties.

The Company Secretary of the Issuer is Sarah Peazer-Davies.

The Issuer is a finance vehicle to be used as Issuer of the Notes. A copy of the Issuer's Articles of Association will be available for inspection as described under "**General Information**" below.

CLOSE BROTHERS LIMITED

Close Brothers Limited was incorporated on 9 February 1924 under the Companies Acts 1908 to 1917 in England and Wales as a private company with limited liability (registered number 195626 and Legal Entity Identifier LC2LS8O497851NSB4L61). Close Brothers Limited is a bank and is authorised to accept deposits under the FSMA. Close Brothers Limited is authorised by the Prudential Regulation Authority (the “PRA”) and is regulated by the Financial Conduct Authority and the PRA and is the parent company of a group providing a range of banking services. Close Brothers Limited is a wholly-owned indirect subsidiary of Close Brothers Group plc.

The registered office of the Parent Guarantor is 10 Crown Place, London, EC2A 4FT and its telephone number is +44 (0)333 321 6100.

Directors

The Directors of the Parent Guarantor and their respective occupations are:

<i>Name</i>	<i>Position</i>	<i>External Directorships</i>
Mike Biggs	Chairman	None
Adrian Sainsbury	Chief Executive	None
Mike Morgan	Group Finance Director	None
Mark Pain	Senior Independent Director	Chairman of AXA UK plc, and Chairman of Empiric Student Property plc
Sally Williams	Independent Non-Executive Director	Non-Executive Director of Lancashire Holdings Limited and of Family Assurance Friendly Society Limited (OneFamily)
Tesula Mohindra	Independent Non-Executive Director	Independent Non-Executive Director of National House-Building Council and the RAC group, and trustee of Variety, the Children’s Charity
Patricia Halliday	Independent Non-Executive Director	None
Kari Hale	Independent Non-Executive Director	Non-executive director of AXA UK plc and a senior adviser to the Financial Reporting Council
Tracey Graham	Independent Non-Executive	Non-executive director of DiscoverIE Group plc, LINK Scheme Limited and

The business address of each of the Directors of the Parent Guarantor is that of the registered office set out above and at the back of this Prospectus.

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

The Company Secretary of the Parent Guarantor is Sarah Peazer-Davies.

Business Operations

The Group is comprised of a number of specialist finance solutions focused on secured lending to small and medium sized enterprises (“**SME**”) and individuals, financing a diverse range of asset classes, mainly in the UK but also in the Republic of Ireland (“**Ireland**”), the Channel Islands and Germany. This also includes active treasury and deposit-taking operations in London.

The main source of income for the Group is net interest and fees on its loan book supplemented by rental income and interest income on treasury assets.

The Group has a distinctive, prudent business model and a long-term approach. The business model is focused on quality and returns rather than overall growth or growth targets. This allows the Group to reinvest in the business through the economic cycle and consistently support its clients and customers, while also maintaining a strong capital, funding and liquidity position.

The Group’s purpose is to help the people and businesses of Britain thrive over the long term. To achieve this, all of its diverse, specialist businesses have a deep industry knowledge, with a focus on deep expertise, long-term relationships and consistent service, so they can understand the challenges and opportunities that the Group’s customers and clients face. The Group supports the unique needs of its customers and clients whatever the market conditions and believes in putting its customers and clients first.

The Group recognises that it has a responsibility to help address the social, economic and environmental challenges facing the business and its employees, customers and clients. As part of this responsibility, sustainability is fundamental to the Group’s purpose, and the Group has set the following sustainable objectives:

- promoting an inclusive culture in everything the Group does;
- reducing the Group’s impact on the environment and responding to the threats and opportunities of climate change;
- promoting financial inclusion, helping borrowers that might be overlooked by larger finance providers and enabling savers and investors to access financial markets and advice to plan for their future; and
- supporting the Group’s customers, clients and partners in the transition towards more sustainable practices.

The Group’s loan book is predominately secured or structurally protected with conservative loan to value ratios. Average loan size is small with short average tenor. The portfolio is diversified with a limited number of individual deals which could materially impact the Group’s earnings.

Control and governance is exercised both within the business and through oversight by a central team. Strict lending criteria are applied when testing the credit quality and covenants of the underlying borrower and significant emphasis is placed on the quality of the underlying security. Rigorous and timely collections and arrears management processes are also in place.

The Group provides specialist finance solutions through three lending businesses: (i) Commercial, which provides asset and invoice finance solutions primarily to SMEs, including smaller specialist businesses; (ii) Retail, which provides intermediated lending solutions principally to consumers; and (iii) Property, which provides short term finance principally for residential property development.

The Group employs approximately 2,900 people.

(a) *Commercial*

The Commercial business lends to SMEs through its direct sales force and third-party distribution channels, and comprises both Asset Finance and Invoice and Speciality Finance.

The *Asset Finance* business provides commercial asset financing, hire-purchase and leasing solutions for a diverse range of assets and sectors to over 32,000 customers. The Asset Finance business had a loan book of £3.7 billion as at 31 January 2024, with a typical maturity of 3 to 4 years and an average loan size of c. £54,000.

Invoice and Speciality Finance works with c.6,000 small businesses to provide debt factoring, invoice discounting and asset-based lending and includes some of its smaller specialist businesses. The Invoice and Speciality Finance business had a loan book of £1.34 billion as at 31 January 2024, with a typical maturity of 3 months and an average loan size of c. £588,000.

(b) *Retail*

The Retail business provides finance to individuals and small businesses through a network of intermediaries, and comprises both Premium Finance and Motor Finance.

Premium Finance helps make insurance payments more manageable for people and businesses, by allowing them to spread the cost over fixed instalments. It works with 1,300 insurance brokers in the UK and Ireland. The Premium Finance business had a total loan book of £1.0 billion as at 31 January 2024, with a typical maturity of 11 months and an average loan size of c. £500.

Motor Finance provides several products at point of sale in a dealership, or online via a broker, which allow consumers to buy vehicles from over 4,900 retailers in the UK. The Motor Finance business had a loan book of £2.0 billion as at 31 January 2024, with a typical maturity of 4 years and an average loan size of c. £7,000.

(c) *Property*

Property provides short-term residential development finance for experienced professionals through *Property Finance* and offers refurbishment and bridging loans through *Commercial Acceptances*. It lends to c.700 professional property developers with a focus on small to medium-sized residential developments. The Property business had a loan book of £1.8 billion as at 31 January 2024, with a typical maturity of 12 to 14 months development and 36 to 60 months investment, and an average loan size of c. £1.7 million. The portfolio does not include any mortgages, buy-to-let mortgages or mezzanine finance.

(d) *LTV ratios and underwriting model*

The Parent Guarantor is a predominantly secured lender, focusing on small ticket short tenor deals, with conservative loan to value (“**LTV**”) ratios, with typical LTV ratios ranging from 80-90 per cent. in the Motor Finance business, 90-100 per cent. in the Asset Finance business, 60-100 per cent. in the Invoice and Speciality Finance business and 50-65 per cent. in the Property business as at 31 January 2024. The underwriting model is well established and is based on local, specialist underwriting expertise with strong central oversight, resulting in a strong credit performance.

Funding and liquidity

The Group’s Treasury function is focused on managing funding and liquidity to support the lending businesses, as well as interest rate risk. The Treasury function incorporates the savings business, which provides simple and straightforward savings products to both individuals and businesses at consistently competitive rates, whilst being committed to providing the highest level of customer service. Whilst the Group has seen a volatile backdrop in recent years, with the collapse of Silicon Valley Bank and Credit Suisse, and wholesale funding markets seeing very limited activity for significant periods, the Group’s diverse funding sources have enabled it to adapt its position through the cycle, based on market conditions and demand.

The Group’s conservative approach to funding is based on the principle of “borrow long, lend short”, with a spread of maturities over the medium and longer term. The Group does this through drawing on a wide range of wholesale and deposit markets including several public debt securities at both Group and operating company level, as well as public and private secured funding programmes and a diverse mix of customer deposits.

At 31 January 2024, the Group had £2.2 billion of treasury assets which included £2.2 billion of high quality liquid assets and no certificates of deposit.

TAXATION

UK Taxation

The following applies only to persons who are the beneficial recipients of payments under the Notes and is a summary of the Issuer's understanding of current law and HM Revenue & Customs' ("HMRC") published practice in the UK. It relates only to the UK withholding tax treatment of payments of interest in respect of Notes and is not intended to be exhaustive. It does not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future, including retrospective change. Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice.

The references to "interest" in the comments below mean "interest" as understood in UK tax law. The comments below do not take any account of any different definitions of "interest" which may be created by the Terms and Conditions of the Notes or any relevant documentation.

1. *Payment of Interest on the Notes*

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

Interest on the Notes may also be paid without withholding or deduction for or on account of UK tax where the maturity of the Notes is less than 365 days (provided that such Notes do not form part of an arrangement of borrowing intended to be, or capable of remaining, outstanding for more than 364 days).

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a UK source on account of UK income tax at the basic rate (currently 20 per cent.). This is subject to any other reliefs or exemptions that may apply. Where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can (subject to the completion of relevant procedural formalities) issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

2. *Withholding tax on payments by the Parent Guarantor under the Guarantees*

Noteholders should be aware that the withholding tax treatment of payments under the Guarantees is not free from uncertainty and any Noteholder who is in any doubt as to the tax treatment of payments made under the Guarantees is advised to obtain professional advice.

Subject to the availability of any relief or exemption, payments under the Guarantees may be subject to UK withholding tax at the basic rate (currently 20 per cent).

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the “**Programme Agreement**”) dated 13 June 2024, agreed with the Issuer and the Parent Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. The Notes may be sold by the Issuer through the Dealers, acting as agents of the Issuer. In the Programme Agreement, the Issuer (failing which, the Parent Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

Neither the Notes nor the Guarantee have been, nor will they be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act.

The Notes are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US Treasury regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, US persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA.

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
 - (ii) a customer within the meaning of 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; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129.
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK.

- (a) For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of the domestic law in the UK by virtue of the EUWA;
 - (ii) customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other UK regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of the Parent Guarantor, would not, if it was not an authorised person, apply to the Issuer or the Parent Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Japan

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan, or to or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes (or any interest therein) may not, directly or indirectly, be offered, sold, pledged, delivered or transferred in the Netherlands,

at any time, and neither this Prospectus nor any other document in relation to any offering of the Notes (or any interest therein) may be distributed or circulated in the Netherlands, other than to professional market parties within the meaning of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (which includes, *inter alia*, qualified investors as defined in the EU Prospectus Regulation such as banks, insurance companies, securities firms, collective investment undertakings and pension funds). This restriction does not apply in respect of Notes having a denomination of at least EUR 100,000 (or equivalent).

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Zero Coupon Notes (as defined below) in definitive bearer form and other securities in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen* (the “**SCA**”) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (a) the initial issue of such securities to the first holders thereof, (b) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (c) the issue and trading of such securities if they are physically issued outside the Netherlands and are not immediately thereafter distributed in the Netherlands. For purposes of this paragraph, “Zero Coupon Notes” means notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the EU Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Italian Financial Services Act**”) and Italian CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 101 of the EU Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11973 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time)

and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act (Italy)**”); and

- (ii) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act (Italy), and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Unless the Final Terms in respect of any Notes specified “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the “**MAS**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or

purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Notification under Section 309B(1)(c) of the SFA - Unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Notes to be issued under the Programme shall be “prescribed capital markets products” (as defined in the CMP Regulations 2018) and “Excluded Investment Products” (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Prospectus has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly:

- (a) any Notes may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (b) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" (as set out above).

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Parent Guarantor, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Parent Guarantor, the Trustee and any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

GENERAL INFORMATION

Authorisation

The establishment and the update of the Programme and the issue of Notes have been duly authorised by resolutions of the board of directors of the Issuer dated 15 November 2004 and 3 June 2024. The giving of the Guarantee has been duly authorised by resolutions of the board of directors of the Parent Guarantor dated 3 June 2024.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Main Market of the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Main Market of the London Stock Exchange. The listing of the Programme in respect of Notes is expected to be granted on or around 18 June 2024.

Documents Available

For a period of 12 months following the date of this Prospectus, the following documents will, when published, be available for inspection at <https://www.closebrothers.com/unsecured-securities>:

- (a) the up-to-date Articles of Association of the Issuer and the Articles of Association of the Parent Guarantor;
- (b) the audited non-consolidated annual financial statements of the Issuer in respect of each of the financial years ended 31 July 2022 and 31 July 2023, and related notes thereto, which have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' and the Companies Act 2006, and the audited consolidated annual financial statements of the Parent Guarantor in respect of each of the financial years ended 31 July 2022 and 31 July 2023, and related notes thereto, which have been prepared in accordance with UK-adopted accounting standards in conformity with the requirements of the Companies Act 2006, in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares audited non-consolidated financial statements on an annual basis. The Parent Guarantor currently prepares audited consolidated and non-consolidated financial statements on an annual basis;
- (c) the most recently published audited annual financial statements of the Issuer and the Parent Guarantor and the most recently published unaudited interim financial statements (if any) of the Issuer and the Parent Guarantor, in each case together with any audit or review papers prepared in connection therewith;
- (d) the Trust Deed, the Agency Agreement, the Issuer - ICSDs Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

- (e) a copy of this Prospectus; and
- (f) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms to this Prospectus and any other documents incorporated herein or therein by reference.

For a period of 12 months following the date of this Prospectus, the 2024 Half-Year Results will be available for inspection at <https://www.closebrothers.com/investor-relations/investor-information/results-reports-and-presentations>

Copies of this Prospectus and any documents incorporated by reference in this Prospectus will also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at the following address:
<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg, which are the entities in charge of keeping the records. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in relation to the FCA's review of historic motor commission arrangements as detailed in the sections of the 2024 Half-Year Results (as published on 19 March 2024) which are incorporated by reference into this Prospectus, there has been no significant change in the financial position or financial performance of the Issuer, the Parent Guarantor or the Group since 31 July 2023 and there has been no material adverse change in the prospects of the Issuer, the Parent Guarantor or the Group as a whole since 31 July 2023.

Litigation

Save as disclosed in relation to the FCA's review of historic motor commission arrangements as detailed in the sections of the 2024 Half-Year Results (as published on 19 March 2024) which are incorporated by reference into this Prospectus, there are no governmental, legal or

arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Parent Guarantor are aware), which may have, or had during the 12 months prior to the date hereof, a significant effect on the financial position or profitability of the Issuer, the Parent Guarantor or the Group.

Independent Auditors

PricewaterhouseCoopers LLP, Chartered Accountants with the Institute of Chartered Accountants in England and Wales and Registered Auditors, audited the Issuer's and the Parent Guarantor's financial statements for each of the financial years ending 31 July 2022 and 31 July 2023, without qualification, in accordance with generally accepted auditing standards in England.

The independent auditors of the Issuer and the Parent Guarantor have no material interest in the Issuer or in the Parent Guarantor.

Dealers transacting with the Issuer and the Parent Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, the Parent Guarantor and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Parent Guarantor or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or Parent Guarantor routinely hedge their credit exposure to the Issuer or Parent Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE ISSUER

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*To the Dealers and the Trustee as to English
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