

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF COVERED BONDHOLDERS (AS DEFINED BELOW). IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE, INCLUDING IN RESPECT OF ANY TAX CONSEQUENCES, IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (IF YOU ARE IN THE UNITED KINGDOM) OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER (IF YOU ARE NOT).**

**NATIONWIDE BUILDING SOCIETY**

(the **Issuer**)

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

**NOTICE OF COVERED BONDHOLDER MEETING**

to each of the holders of the outstanding

**€2,000,000,000 Series 2007-01 Tranche 2 Covered Bonds due 2022 (ISIN: XS0289011198, Common Code: 028901119)**

**kr500,000,000 Series 2010-02 Covered Bonds due 2020 (ISIN: XS0550431083, Common Code: 055043108)**

**kr500,000,000 Series 2011-01 Covered Bonds due 2021 (ISIN: XS0582521661, Common Code: 058252166)**

**£750,000,000 Series 2011-02 Covered Bonds due 2026 (ISIN: XS0584363724, Common Code: 058436372)**

**€1,250,000,000 Series 2011-03 Covered Bonds due 2021 (ISIN: XS0589642049, Common Code: 058964204)**

**€30,000,000 Series 2011-04 Covered Bonds due 2031 (ISIN: XS0592707615, Common Code: 059270761)**

**€132,000,000 Series 2011-05 N Covered Bonds due 2025**

**€50,000,000 Series 2011-06 N Covered Bonds due 2023**

**kr500,000,000 Series 2011-07 Covered Bonds due 2021 (ISIN: XS0605287217, Common Code: 060528721)**

**€50,000,000 Series 2011-09 N Covered Bonds due 2032**

**kr400,000,000 Series 2011-10 Covered Bonds due 2018 (ISIN: XS0622731197, Common Code: 062273119)**

**€58,000,000 Series 2011-11 N Covered Bonds due 2017**

**€100,000,000 Series 2011-13 N Covered Bonds due 2026**

**€40,000,000 Series 2011-14 N Covered Bonds due 2029**

**€50,000,000 Series 2011-15 N Covered Bonds due 2026**

**€103,000,000 Series 2011-17 N Covered Bonds due 2027**

**€40,000,000 Series 2011-18 N Covered Bonds due 2029**

**€1,500,000,000 Series 2011-19 Covered Bonds due 2016 (ISIN: XS0690482426, Common Code: 069048242)**

**£100,000,000 Series 2011-20 Covered Bonds due 2026 (ISIN: XS0697790342, Common Code: 069779034)**

**£100,000,000 Series 2011-21 Covered Bonds due 2028 (ISIN: XS0697790185, Common Code: 069779018)**

**£50,000,000 Series 2011-22 Covered Bonds due 2031 (ISIN: XS0697790425, Common Code: 069779042)**

**€77,000,000 Series 2011-23 N Covered Bonds due 2032**

**€116,000,000 Series 2012-02 N Covered Bonds due 2027**

**€88,000,000 Series 2012-03 N Covered Bonds due 2030**

**€157,500,000 Series 2012-06 N Covered Bonds due 2028**

**€1,000,000,000 Series 2014-01 Covered Bonds due 2019 (ISIN: XS1081041557, Common Code: 108104155)**

**€750,000,000 Series 2014-02 Covered Bonds due 2029 (ISIN: XS1081100239, Common Code: 108110023)**

**£750,000,000 Series 2014-03 Covered Bonds due 2017 (ISIN: XS1087802234, Common Code: 108780223)**

**€56,000,000 Series 2014-04 N Covered Bonds due 2039**

**€50,000,000 Series 2014-05 N Covered Bonds due 2039**

**€1,000,000,000 Series 2014-06 Covered Bonds due 2021 (ISIN: XS1130066175, Common Code: 113006617)**

**€50,000,000 Series 2014-07 Covered Bonds due 2039 (ISIN: XS1151430185, Common Code: 115143018)**

**€50,000,000 Series 2015-01 Covered Bonds due 2030 (ISIN: XS1177825814, Common Code: 117782581)**

**€750,000,000 Series 2015-02 Covered Bonds due 2027 (ISIN: XS1207683522, Common Code: 120768352)**

€25,000,000 Series 2015-03 N Covered Bonds due 2035  
 £750,000,000 Series 2015-04 Covered Bonds due 2018 (ISIN: XS1223775716, Common Code: 122377571)  
 €50,000,000 Series 2015-05 Covered Bonds due 2035 (ISIN: XS1225157533, Common Code: 122515753)  
 €105,000,000 Series 2015-06 Covered Bonds due 2034 (ISIN: XS1242438742, Common Code: 124243874)  
 €100,000,000 Series 2015-07 Covered Bonds due 2031 (ISIN: XS1261795378, Common Code: 126179537)  
 €50,000,000 Series 2015-08 N Covered Bonds due 2035  
 €45,000,000 Series 2015-09 N Covered Bonds due 2035  
 €1,000,000,000 Series 2015-10 Covered Bonds due 2020 (ISIN: XS1268460885, Common Code: 126846088)  
 €1,000,000,000 Series 2015-11 Covered Bonds due 2022 (ISIN: XS1308693867, Common Code: 130869386)  
 €35,000,000 Series 2015-12 Covered Bonds due 2035 (ISIN: XS1316442992, Common Code: 131644299)  
 €50,000,000 Series 2015-13 Covered Bonds due 2032 (ISIN: XS1332497616, Common Code: 133249761)  
 €25,000,000 Series 2015-14 Covered Bonds due 2035 (ISIN: XS1333830005, Common Code: 133383000)  
 €100,000,000 Series 2015-15 Covered Bonds due 2020 (ISIN: XS1334768733, Common Code: 133476873)  
 €25,000,000 Series 2016-01 Covered Bonds due 2041 (ISIN: XS1350139439, Common Code: 135013943)  
 €30,000,000 Series 2016-02 Covered Bonds due 2041 (ISIN: XS1352028432, Common Code: 135202843)  
 €51,000,000 Series 2016-03 Covered Bonds due 2036 (ISIN: XS1369280661, Common Code: 136928066)  
 €50,000,000 Series 2016-04 Covered Bonds due 2036 (ISIN: XS1371729259, Common Code: 137172925)  
 €40,000,000 Series 2016-05 Covered Bonds due 2041 (ISIN: XS1371979284, Common Code: 137197928)  
 €25,000,000 Series 2016-06 Covered Bonds due 2023 (ISIN: XS1373029856, Common Code: 137302985)  
 €1,250,000,000 Series 2016-07 Covered Bonds due 2021 (ISIN: XS1374414891, Common Code: 137441489)  
 €30,000,000 Series 2016-08 Covered Bonds due 2036 (ISIN: XS1378944836, Common Code: 137894483)  
 €50,000,000 Series 2016-09 Covered Bonds due 2038 (ISIN: XS1380330826, Common Code: 138033082)  
 €50,000,000 Series 2016-10 Covered Bonds due 2031 (ISIN: XS1380328259, Common Code: 138032825)  
 €40,000,000 Series 2016-11 Covered Bonds due 2036 (ISIN: XS1384262389, Common Code: 138426238)  
 €80,000,000 Series 2016-12 Covered Bonds due 2021 (ISIN: XS1385380289, Common Code: 138538028)  
 £750,000,000 Series 2016-13 Covered Bonds due 2019 (ISIN: XS1397740603, Common Code: 139774060)  
 €60,000,000 Series 2016-14 Covered Bonds due 2041 (ISIN: XS1397982874, Common Code: 139798287)

€25,000,000 Series 2016-15 Covered Bonds due 2041 (ISIN: XS1407047411, Common Code: 140704741) (together, the  
 Covered Bonds, and holders thereof, the Covered Bondholders)

**NOTICE IS HEREBY GIVEN** that a meeting of the Covered Bondholders (the **Meeting**) convened by the Issuer will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on Tuesday, 21 June 2016. The Meeting will be held at 10:00 a.m. (London time), for the purpose of considering and, if thought fit, passing the following resolutions, each of which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed dated 30 November 2005 (as amended or supplemented from time to time, the **Trust Deed**) made among the Issuer, Nationwide Covered Bonds LLP (the **LLP**), Citicorp Trustee Company Limited (the **Security Trustee**) and Citicorp Trustee Company Limited (the **Bond Trustee**). Capitalised terms used in this notice shall have the meanings given to them in the Consent Solicitation Memorandum dated 26 May 2016, the Conditions of the Covered Bonds set out in the Trust Deed or the Master Definitions and Construction Agreement.

At the date of this Notice, the Covered Bonds have been issued by the Issuer and remain outstanding.

In accordance with normal practice, each of the Solicitation Agents, the Information and Tabulation Agent, the Bond Trustee and the Security Trustee expresses no opinion and makes no representations as to the merits of the proposed amendments referred to in the Extraordinary Resolutions set out below (which they have not been involved in negotiating). Each of the Solicitation Agents, the Information and Tabulation Agent, the Bond Trustee and the Security Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolutions or any of them being submitted to the Covered Bondholders for their consideration. Accordingly, each of the Solicitation Agents, the Bond Trustee, the Information and Tabulation Agent and the Security

Trustee recommends that Covered Bondholders seek their own legal, financial, tax or other advice as to the impact of the implementation of the Extraordinary Resolutions.

### **FIRST EXTRAORDINARY RESOLUTION OF THE COVERED BONDHOLDERS**

“THAT this Meeting of the holders of covered bonds issued by NATIONWIDE BUILDING SOCIETY presently outstanding (the **Covered Bonds** and holders thereof, the **Covered Bondholders**) issued by Nationwide Building Society (the **Issuer**) constituted by the Trust Deed dated 30 November 2005 (as amended or supplemented from time to time, the **Trust Deed**) made among the Issuer, Nationwide Covered Bonds LLP (the **LLP**), Citicorp Trustee Company Limited (the **Security Trustee**) and Citicorp Trustee Company Limited (the **Bond Trustee**):

1. Approves and assents to the First Covered Bondholder Proposal set out in the Consent Solicitation Memorandum distributed or otherwise made available to the Covered Bondholders on 26 May 2016.
2. Assents to and authorises, directs, requests and empowers the Bond Trustee to (and to direct the Security Trustee to) consent to the First Covered Bondholder Proposal and the modification of the LLP Deed, the Master Definitions and Construction Agreement, the Cash Management Agreement, the Bank Account Agreement, the Deed of Charge, the Trust Deed, and the Relevant Swap Agreements (together the **Existing Documents**) by way of entry into the Ninth Supplemental Limited Liability Partnership Deed, the Amendment Agreement to the Amended and Restated Master Definitions and Construction Agreement, the Amendment Agreement to the Amended and Restated Cash Management Agreement, the Amendment Agreement to the Bank Account Agreement, the Fifth Supplemental Deed of Charge, the Ninth Supplemental Trust Deed, the amended and restated Interest Rate Swap Agreement, the Amendment Agreement to the Nationwide Relevant Covered Bond Swap Agreements and, if the relevant amendments are agreed to by the LLP and the relevant Covered Bond Swap Provider, each Amended External Relevant Swap Agreement (together, the **Amendment Documents**) to the extent necessary to give effect to this First Extraordinary Resolution (each of the Amendment Documents being substantially in the form of the drafts produced to this meeting or in such other forms as are required to obtain the approval of the Financial Conduct Authority, any such amendments (as certified by the Issuer to the Security Trustee and the Bond Trustee as are necessary to obtain such approval from the Financial Conduct Authority) which the Security Trustee and the Bond Trustee shall concur in whether or not such amendments are or may be prejudicial to the interests of the Holders of the Covered Bonds or any Series thereof, provided that the amendments do not impose additional obligations on the Security Trustee or the Bond Trustee, and for the purpose of identification, signed by the Chairman hereof) to give effect to, *inter alia*, the following as described in greater detail in the Consent Solicitation Memorandum under Section 2 – First Covered Bondholder Proposal:

(A) *Updates to Relevant Swap Agreements to reflect current Rating Agency criteria*

Amend the Nationwide Relevant Swap Agreements to reflect the most recent Rating Agency criteria including updating the ratings triggers requiring collateral posting and replacement of the relevant Swap Provider, updating the collateral posting requirements themselves and clarifications in relation to Nationwide Relevant Covered Bond Swap Agreements which document multiple swap transactions.

Amend the External Relevant Swap Agreements (if agreed between the LLP and the relevant Covered Bond Swap Provider) for certain current Fitch and Moody's collateral posting requirements.

(B) *Additional amendments to the Interest Rate Swap Agreement only*

Amend the Interest Rate Swap Agreement based on an assessment of how, if the Programme was being created today, the asset swaps would be structured. The key proposed changes include:

- (a) splitting the current Jumbo Interest Rate Swap into four separate swap transactions, one each in relation to the Fixed Rate Loans, the Tracker Rate Loans, the SMR Loans and the BMR Loans, respectively, each of which will be governed by the Interest Rate Swap Agreement. This disentangles the swap of the Fixed Rate Loans and the Tracker Rate Loans from the less liquid BMR Loans and SMR Loans, thus allowing each of the individual swaps to be more effectively and more economically subject to Rating Agency related collateral and replacement protections;
- (b) no longer fully hedging the possible variance between the rates of interest earned on the Tracker Rate Loans and Sterling LIBOR: the swap transaction in relation to the Tracker Rate Loans will only provide a hedge in respect of the excess (if any) of the aggregate outstanding balance of the Tracker Rate Loans over ten per cent. (or such lower percentage as the parties to the swap may agree from time to time) of the aggregate outstanding balance of all Loans in the Portfolio. Instead the Rating Agencies have considered the associated risks of the LLP not being fully hedged in respect of the Tracker Rate Loans in their ratings assessment and cashflow models in conjunction with the collateral requirements and any risk has been mitigated through an increase in over collateralisation requirement;
- (c) providing that the LLP payments under each of the BMR Loan and SMR Loan swap transactions shall be determined by reference to the weighted average (by outstanding balance) of the rates of interest earned on all BMR Loan or SMR Loans (as applicable) for so long as Nationwide is the Servicer (rather than only for so long as Nationwide is the Swap Provider in respect of the relevant swap transaction);
- (d) extending the current allowance for the LLP and Issuer to amend the spread applicable in determining the Interest Rate Swap Provider payments under each of the Fixed Rate Loan, Tracker Rate Loan, BMR Loan and SMR Loan swap transactions under the Interest Rate Swap Agreement to allow flexibility to amend such spreads between new issuances of Covered Bond, such that the LLP and the Interest Rate Swap Provider (with appropriate input from the Cash Manager and the Servicer) may amend such spreads subject to the conditions described in item 1.2(d) (Re-setting spreads for swap transactions under Interest Rate Swap Agreements) of Section 2. This will enable Nationwide to more efficiently manage the post swap yield of the pool as the population of loans and associated maturity profiles evolve;
- (e) giving the LLP the right to partially terminate or novate the Fixed Rate Loan component of the Interest Rate Swap in an amount corresponding to the portion of Fixed Rate Loans being sold in the scenario where the LLP is permitted or required to sell such Loans under the provisions of the LLP Deed and to make consequential changes to provide that any such partial termination is taken into account for other purposes, including collateral posting. In addition, the introduction of market value hedging will ensure that the LLP is compensated where sale proceeds of the Fixed Rate Loans are impacted due to interest rate changes; and
- (f) making certain minor or consequential changes to the amendments described above including: (i) amending the scheduled termination date of each of the swap transactions; (ii) updating the definition of “Reference Lenders”; and (iii) introducing

cross-transactional netting in relation to payments between the LLP and the Interest Rate Swap Provider under the Jumbo Interest Rate Swaps.

(C) *Additional amendments to the Nationwide Relevant Covered Bond Swap Agreements only*

Amend each Nationwide Relevant Covered Bond Swap Agreement, including (a) requiring the relevant Covered Bond Swap Provider (where it is not Nationwide or any of its affiliates) under each Nationwide Relevant Covered Bond Swap Agreement to post collateral in an amount equal to the mark-to-market value of the relevant underlying Covered Bond Swap at all times - that is, after any future transfer of the Nationwide Relevant Covered Bond Swap Agreement by Nationwide to a third party; any requirements to post additional volatility related collateral amounts as currently stands are only subject to ratings triggers pursuant to Rating Agency criteria, and (b) clarifying that the termination rights of Nationwide Relevant Covered Bond Swap Agreements in relation to N Covered Bonds shall be exercisable *pro rata* to the amount of N Covered Bonds redeemed.

(D) *Additional amendments common to the Nationwide Relevant Swap Agreements*

Certain minor amendments, as described in further detail in Section 2, are proposed to the Interest Rate Swap Agreement and certain Nationwide Relevant Covered Bond Swap Agreements, including amending such agreements to address (a) negative overnight interest rates applicable to any cash collateral posted under the relevant Swap Agreement by the relevant Swap Provider, (b) potential withholding under FATCA and (c) regulatory requirements under EMIR.

(E) *Future Changes*

Amend the Nationwide Relevant Swap Agreements (which for the avoidance of doubt could at some future date be provided by an external Swap Provider), the Trust Deed and the Deed of Charge to allow future amendments to be made to the Swap Agreements, including, for the avoidance of doubt, Covered Bond Swap Agreements where the Covered Bond Swap Provider is not Nationwide (and consequential changes to any other Transaction Documents) that reflect (i) updates to Rating Agency criteria, and (ii) changes in regulatory requirements, in each case, without requiring the consent of the Security Trustee, the Bond Trustee or the Covered Bondholders and irrespective of whether or not such modifications might otherwise constitute a Series Reserved Matter and irrespective of whether or not such modifications might otherwise be materially prejudicial to the interest of the Covered Bondholders. This would be subject to certain conditions including: (i) written certifications by the relevant Transaction Parties to the Bond Trustee and the Security Trustee that such modifications are being made solely in connection with updates to Rating Agency criteria or regulatory changes, as applicable, (ii) providing notification of the proposed amendments to the Rating Agencies; (iii) that such amendments would not cause the then current ratings of the Covered Bonds to be adversely affected or withdrawn and (iv) such amendments would not impose any additional obligations on the Bond Trustee or the Security Trustee.

(F) *Consent Fees*

The Issuer will pay each Eligible Covered Bondholder (as defined below) a Consent Fee (as defined below) in the event that such Eligible Covered Bondholder voted in favour of the First Extraordinary Resolution and the First Extraordinary Resolution is passed and implemented.

For a Covered Bondholder to be eligible to receive the Consent Fee, the Information and Tabulation Agent must receive a valid Electronic Voting Instruction or duly completed Form of Proxy in favour of the First Extraordinary Resolution from such holder before 4:00 p.m. (London time) on Friday, 10 June 2016 (the **Early Voting Deadline**) which is not subsequently revoked (each an **Eligible Covered Bondholder**).

The amount of the consent fee that an Eligible Covered Bondholder who has submitted a valid Electronic Voting Instruction or Form of Proxy, received by the Information and Tabulation Agent, prior to the Early Voting Deadline, in favour of the First Extraordinary Resolution, which has then been passed and implemented, will be entitled to receive will be 0.01% of the Principal Amount Outstanding of the relevant Covered Bond which is the subject of the relevant Electronic Voting Instruction (the **Consent Fee**).

The Issuer will pay each Eligible Covered Bondholder an additional consent fee of 0.02% of the Principal Amount Outstanding of the relevant Covered Bond (the **Additional Consent Fee**) in the event that such Eligible Covered Bondholder has submitted a valid Electronic Voting Instruction or Form of Proxy, received by the Information and Tabulation Agent, prior to the Early Voting Deadline, in favour of this First Extraordinary Resolution, the Second Extraordinary Resolution (as defined in the Consent Solicitation Memorandum) and the Third Extraordinary Resolution (as defined in the Consent Solicitation Memorandum) PROVIDED THAT each of the First Extraordinary Resolution, the Second Extraordinary Resolution and the Third Extraordinary Resolution is passed and implemented.

**No Eligible Covered Bondholder will be entitled to receive aggregated consent fees in an amount greater than 0.05% of the Principal Amount Outstanding of the relevant Covered Bond which is the subject of each Electronic Voting Instruction submitted in connection with the First Extraordinary Resolution, the Second Extraordinary Resolution and the Third Extraordinary Resolution.**

(G) It is proposed to incorporate all consequential amendments relating to paragraphs (A) to (E) above.

3. Sanctions and assents to every abrogation, modification, compromise or arrangement in respect of the rights of the Covered Bondholders appertaining to the Covered Bonds against the Issuer, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications referred to in paragraphs (1) and (2) of this First Extraordinary Resolution and its implementation.
4. Authorises, directs, requests and empowers the Bond Trustee to concur in the modifications referred to in paragraphs (1) and (2) of this First Extraordinary Resolution and, in order to give effect thereto and to implement the same, to Execute the Amendment Documents (including execution of each Amended External Relevant Swap Agreement if such is agreed to by the LLP and the relevant Covered Bond Swap Provider) upon approval of the amendments by the Financial Conduct Authority subject to such amendments as are necessary or required to obtain such approval (as certified by the Issuer in writing to the Security Trustee and the Bond Trustee) and to direct the Security Trustee to (each document substantially in the form of the draft produced to this Meeting and for the purpose of identification, signed by the Chairman); and to concur in, and to execute and do, all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this First Extraordinary Resolution and the implementation of the modifications referred to in paragraphs (1) and (2) of this First Extraordinary Resolution.

5. Waives any and all requirements, restrictions or conditions precedent set forth in the Transaction Documents on any person in respect of implementation of the modifications to and the entry into of the documents listed at paragraph 2 to give effect to and implement paragraphs (1) and (2) of this First Extraordinary Resolution.
6. Discharges, exonerates and indemnifies the Bond Trustee and the Security Trustee from all liability of whatsoever nature for which it may have become or may become responsible under the Trust Deed, the Covered Bonds or any of the Transaction Documents or LLP Transaction Documents (as the case may be) in respect of any act or omission in connection with this First Extraordinary Resolution, the Consent Solicitation Memorandum, the First Covered Bondholder Proposal or the Amendment Documents even though it may be subsequently found that there is a defect in the passing of this First Extraordinary Resolution or that for any reason, this First Extraordinary Resolution is not valid or binding on the Covered Bondholders.
7. Agrees that capitalised terms in this document which are not defined herein shall have the meanings given to them in the Consent Solicitation Memorandum dated 26 May 2016 and the First Covered Bondholder Proposal or the Trust Deed (including the Conditions) (copies of which are available on display as referred to in the Notice of Meeting).
8. Agrees and acknowledges that, by voting in favour of this First Extraordinary Resolution, it has duly received notice of the Meeting and the First Covered Bondholder Proposal on 26 May 2016 in accordance with the Terms and Conditions of the Covered Bonds.”

## **SECOND EXTRAORDINARY RESOLUTION OF THE COVERED BONDHOLDERS**

“THAT this Meeting of the holders of covered bonds issued by NATIONWIDE BUILDING SOCIETY presently outstanding (the **Covered Bonds** and holders thereof, the **Covered Bondholders**) issued by Nationwide Building Society (the **Issuer**) constituted by the Trust Deed dated 30 November 2005 (as amended or supplemented from time to time, the **Trust Deed**) made among the Issuer, Nationwide Covered Bonds LLP (the **LLP**), Citicorp Trustee Company Limited (the **Security Trustee**) and Citicorp Trustee Company Limited (the **Bond Trustee**):

1. Approves and assents to the Second Covered Bondholder Proposal set out in the Consent Solicitation Memorandum distributed or otherwise made available to the Covered Bondholders on 26 May 2016.
2. Assents to and authorises, directs, requests and empowers the Bond Trustee to (and to direct the Security Trustee to) consent to the Second Covered Bondholder Proposal and the modification of the Bank Account Agreement, the LLP Deed, the Master Definitions and Construction Agreement, the Cash Management Agreement, the Deed of Charge, the Trust Deed, the Asset Monitor Agreement, the Servicing Agreement, the Mortgage Sale Agreement and the Guaranteed Investment Contract (together the **Existing Documents**) by way of entry into the Amendment Agreement to the Bank Account Agreement, the Ninth Supplemental Limited Liability Partnership Deed, the Amendment Agreement to the Amended and Restated Master Definitions and Construction Agreement, the Amendment Agreement to the Amended and Restated Cash Management Agreement, the Fifth Supplemental Deed of Charge, the Ninth Supplemental Trust Deed, the Third Amended and Restated Asset Monitor Agreement, the Third Supplemental Deed to the Servicing Agreement, the Supplemental Deed to the Mortgage Sale Agreement and the Amendment Agreement to the Guaranteed Investment Contract, (together, the **Amendment Documents**) to the extent necessary to give effect to this Second Extraordinary Resolution (each of the Amendment Documents being substantially in the form of the drafts produced to this meeting or in such other forms as are required to obtain the approval of the Financial Conduct Authority, any such amendments (as certified by the Issuer to the Security Trustee and the Bond Trustee as are necessary to obtain such approval from the Financial Conduct Authority) which the Security Trustee and

the Bond Trustee shall concur in whether or not such amendments are or may be prejudicial to the interests of the Holders of the Covered Bonds or any Series thereof, provided that the amendments do not impose additional obligations on the Security Trustee or the Bond Trustee, and for the purpose of identification, signed by the Chairman hereof) to give effect to, *inter alia*, the following as described in greater detail in the Consent Solicitation Memorandum under Section 2 – Second Covered Bondholder Proposal:

(A) *Updating Rating Agency Replacement Triggers for an Account Bank to reflect current criteria*

Make amendments to the ratings triggers requiring replacement of, and any related grace periods in respect of, an Account Bank, a GIC Account, the Transaction Account and any Swap Collateral Accounts to reflect the most recent Rating Agency criteria.

(B) *Establishment of a new GIC account with Nationwide which requires collateral to be posted if Nationwide's rating falls below certain ratings triggers*

Amend the Transaction Documents to allow for the opening of a new GIC account at Nationwide (the **Collateralised GIC Account**) that will be in addition to the existing GIC Account.

The Collateralised GIC Account can be maintained at Nationwide even if its ratings fall below those requiring a replacement bank to be appointed in respect of the LLP's other accounts (the **Account Bank Required Ratings**); however, should Nationwide no longer be assigned the Account Bank Required Ratings, eligible monies can only be deposited or maintained in the Collateralised GIC Account if adequate collateral has been provided in the form of additional mortgages or high quality securities. The Programme will benefit from improved banking service continuity and reduce credit risk while collateralisation mitigates against Nationwide having ratings below the Account Bank Required Ratings.

(C) *Direct debit redirection*

Amend the Servicing Agreement to remove the previous and no longer required Rating Agency driven requirement that direct debits from Borrowers be redirected into an account controlled by a third party bank in the event that the Account Bank does not have certain minimum ratings. This amendment is driven by: (i) the establishment of the Collateralised GIC Account, which will reduce operational instability by continuing to hold day to day collections despite any downgrade of Nationwide below the Account Bank Required Ratings; and (ii) the fact that any such risks are otherwise adequately mitigated through overcollateralisation.

(D) *Opening new bank accounts at institutions with requisite ratings*

Amend the Transaction Documents to allow the LLP to open multiple bank accounts (which shall be on substantially similar terms to the Amendment Agreement to the Bank Account Agreement) with providers other than Nationwide provided that they meet the Account Bank Required Ratings. This change is proposed to reduce exposure to any one counterparty by allowing cash held by the LLP to be split between a number of banks if desirable.

(E) *Opening new bank accounts at institutions with requisite ratings*

Amend the Transaction Documents to allow the LLP to open multiple bank accounts (which shall be on substantially similar terms to the Amendment Agreement to the Bank Account Agreement) with providers other than Nationwide provided that they meet the Account Bank



Required Ratings. This change is proposed to reduce exposure to any one counterparty by allowing cash held by the LLP to be split between a number of banks if desirable.

(F) *Opening an Interest Rate Swap Collateral Account*

Amend the Transaction Documents to allow the LLP to open an Interest Rate Swap Collateral Account into which any Swap Collateral posted by an Interest Rate Swap Provider (currently only Nationwide) would be paid or transferred if required under the terms of the relevant Interest Rate Swap Agreement. The existing arrangements do not support the LLP's receipt of collateral in relation to the Interest Rate Swaps and this change would ensure the proper operation of the collateral posting arrangements under the Interest Rate Swap Agreement.

(G) *Negative interest rates in respect of the GIC Rate*

Amend the definition of GIC Rate in relation to a GIC Account such that the rate of interest accruing on the balance standing to the credit of such account will never be negative by the introduction of a zero floor.

(H) *Consent Fee*

The Issuer will pay each Eligible Covered Bondholder (as defined below) a Consent Fee (as defined below) in the event that such Eligible Covered Bondholder voted in favour of the Second Extraordinary Resolution and the Second Extraordinary Resolution is passed and implemented.

For a Covered Bondholder to be eligible to receive the Consent Fee, the Information and Tabulation Agent must receive a valid Electronic Voting Instruction or duly completed Form of Proxy in favour of the Second Extraordinary Resolution from such holder before 4:00 p.m. (London time) on Friday, 10 June 2016 (the **Early Voting Deadline**) which is not subsequently revoked (each an Eligible Covered Bondholder).

The amount of the consent fee that an Eligible Covered Bondholder who has submitted a valid Electronic Voting Instruction or Form of Proxy, received by the Information and Tabulation Agent, prior to the Early Voting Deadline, in favour of the Second Extraordinary Resolution, which has then been passed and implemented, will be entitled to receive will be 0.01% of the Principal Amount Outstanding of the relevant Covered Bond which is the subject of the relevant Electronic Voting Instruction (the Consent Fee).

The Issuer will pay each Eligible Covered Bondholder an additional consent fee of 0.02% of the Principal Amount Outstanding of the relevant Covered Bond (the **Additional Consent Fee**) in the event that such Eligible Covered Bondholder has submitted a valid Electronic Voting Instruction or Form of Proxy, received by the Information and Tabulation Agent, prior to the Early Voting Deadline, in favour of this Second Extraordinary Resolution, the First Extraordinary Resolution (as defined in the Consent Solicitation Memorandum) and the Third Extraordinary Resolution (as defined in the Consent Solicitation Memorandum) PROVIDED THAT each of the First Extraordinary Resolution, the Second Extraordinary Resolution and the Third Extraordinary Resolution is passed and implemented.

No Eligible Covered Bondholder will be entitled to receive aggregated consent fees in an amount greater than 0.05% of the Principal Amount Outstanding of the relevant Covered Bond which is the subject of each Electronic Voting Instruction submitted in connection with the First Extraordinary Resolution, the Second Extraordinary Resolution and the Third Extraordinary Resolution.

- (I) It is proposed to incorporate all consequential amendments relating to paragraphs (A) to (G) above.
3. Sanctions and assents to every abrogation, modification, compromise or arrangement in respect of the rights of the Covered Bondholders appertaining to the Covered Bonds against the Issuer, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications referred to in paragraphs (1) and (2) of this Second Extraordinary Resolution and its implementation.
  4. Authorises, directs, requests and empowers the Bond Trustee to concur in the modifications referred to in paragraphs (1) and (2) of this Second Extraordinary Resolution and, in order to give effect thereto and to implement the same, to Execute the Amendment Documents upon approval of the amendments by the Financial Conduct Authority subject to such amendments as are necessary or required to obtain such approval (as certified by the Issuer in writing to the Security Trustee and the Bond Trustee) and to direct the Security Trustee to (each document substantially in the form of the draft produced to this Meeting and for the purpose of identification, signed by the Chairman); and to concur in, and to execute and do, all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Second Extraordinary Resolution and the implementation of the modifications referred to in paragraphs (1) and (2) of this Second Extraordinary Resolution.
  5. Waives any and all requirements, restrictions or conditions precedent set forth in the Transaction Documents on any person in respect of implementation of the modifications to and the entry into of the documents listed at paragraph 2 to give effect to and implement paragraphs (1) and (2) of this Second Extraordinary Resolution.
  6. Discharges, exonerates and indemnifies the Bond Trustee and the Security Trustee from all liability of whatsoever nature for which it may have become or may become responsible under the Trust Deed, the Covered Bonds or any of the Transaction Documents or LLP Transaction Documents (as the case may be) in respect of any act or omission in connection with this Second Extraordinary Resolution, the Consent Solicitation Memorandum, the Second Covered Bondholder Proposal or the Amendment Documents even though it may be subsequently found that there is a defect in the passing of this Second Extraordinary Resolution or that for any reason, this Second Extraordinary Resolution is not valid or binding on the Covered Bondholders.
  7. Agrees that capitalised terms in this document which are not defined herein shall have the meanings given to them in the Consent Solicitation Memorandum dated 26 May 2016 and the Second Covered Bondholder Proposal or the Trust Deed (including the Conditions) (copies of which are available on display as referred to in the Notice of Meeting).
  8. Agrees and acknowledges that, by voting in favour of this Second Extraordinary Resolution, it has duly received notice of the Meeting and the Second Covered Bondholder Proposal on 26 May 2016 in accordance with the Terms and Conditions of the Covered Bonds.”

### **THIRD EXTRAORDINARY RESOLUTION OF THE COVERED BONDHOLDERS**

“THAT this Meeting of the holders of covered bonds issued by NATIONWIDE BUILDING SOCIETY presently outstanding (the **Covered Bonds** and holders thereof, the **Covered Bondholders**) issued by Nationwide Building Society (the **Issuer**) constituted by the Trust Deed dated 30 November 2005 (as amended or supplemented from time to time, the **Trust Deed**) made among the Issuer, Nationwide Covered Bonds LLP (the **LLP**), Citicorp Trustee Company Limited (the **Security Trustee**) and Citicorp Trustee Company Limited (the **Bond Trustee**):

1. Approves and assents to the Third Covered Bondholder Proposal set out in the Consent Solicitation Memorandum distributed or otherwise made available to the Covered Bondholders on 26 May 2016.
2. Assents to and authorises, directs, requests and empowers the Bond Trustee to (and to direct the Security Trustee to) consent to the Third Covered Bondholder Proposal and the modification of the Bank Account Agreement, the LLP Deed, the Master Definitions and Construction Agreement, the Cash Management Agreement, the Deed of Charge, the Trust Deed, the Asset Monitor Agreement, the Servicing Agreement, the Mortgage Sale Agreement and the Guaranteed Investment Contract (together the **Existing Documents**) by way of entry into the Amendment Agreement to the Bank Account Agreement, the Ninth Supplemental Limited Liability Partnership Deed, the Amendment Agreement to the Amended and Restated Master Definitions and Construction Agreement, the Amendment Agreement to the Amended and Restated Cash Management Agreement, the Fifth Supplemental Deed of Charge, the Ninth Supplemental Trust Deed, the Third Amended and Restated Asset Monitor Agreement, the Third Supplemental Deed to the Servicing Agreement, the Supplemental Deed to the Mortgage Sale Agreement and the Amendment Agreement to the Guaranteed Investment Contract (together, the **Amendment Documents**) to the extent necessary to give effect to this Third Extraordinary Resolution (each of the Amendment Documents being substantially in the form of the drafts produced to this meeting or in such other forms as are required to obtain the approval of the Financial Conduct Authority, any such amendments (as certified by the Issuer to the Security Trustee and the Bond Trustee as are necessary to obtain such approval from the Financial Conduct Authority) which the Security Trustee and the Bond Trustee shall concur in whether or not such amendments are or may be prejudicial to the interests of the Holders of the Covered Bonds or any Series thereof, provided that the amendments do not impose additional obligations on the Security Trustee or the Bond Trustee, and for the purpose of identification, signed by the Chairman hereof) to give effect to, *inter alia*, the following as described in greater detail in the Consent Solicitation Memorandum under Section 2 – Third Covered Bondholder Proposal:

(A) *Updating Transaction Documents to reflect Current Rating Agency counterparty criteria*

Amend certain other Transaction Documents (in addition to amendments proposed in the First Extraordinary Resolution and the Second Extraordinary Resolution (each as defined in the Consent Solicitation Memorandum) to reference the most recent Rating Agency counterparty criteria in relation to any ratings triggers or related required ratings.

(B) *Amendments to the Asset Coverage Test to reflect changes in the Financial Services Compensation Scheme*

The Asset Coverage Test currently requires that the Adjusted Aggregate Loan Amount takes into account in item X the potential offset that Borrowers may make in respect of their Loans as a result of maintaining deposits at the Issuer. It is proposed to amend item X in order to take into account the consequences of the Financial Services Compensation Scheme in respect of any offset a Borrower may make so that item X will more accurately reflect the risks of set-off and align the Programme with other UK Regulated Covered Bond (**RCB**) programmes.

(C) *Amendments to introduce a Supplemental Liquidity Reserve*

Amend the LLP Deed and the Cash Management Agreement to introduce a new reserve (the **Supplemental Liquidity Reserve**) of *additional* mortgage loans equal to, initially, 5% of the total minimum asset amount required for the passing of the Asset Coverage Test. This reserve can be liquidated, in certain circumstances, alongside any liquidations of main pool assets that are required to meet forthcoming liabilities.

(D) *Appointment of back-up servicer and back-up servicer facilitator*

Amend the Servicing Agreement to (i) remove the trigger to appoint a master servicer; (ii) appoint a back-up servicer facilitator immediately following passage of the proposal and (iii) require that the back-up servicer facilitator will assist the Servicer in identifying and appointing a back-up servicer satisfactory to the LLP and the Security Trustee within 60 days of the Servicer losing certain ratings.

A master servicer, if appointed under the current arrangements upon a downgrade, would take the primary servicing role, whereas under the proposed back-up servicer arrangement, Nationwide will retain primary servicing responsibilities upon a downgrade. This will reduce inefficiencies arising from a servicing transfer at a time when, although Nationwide has been downgraded, a Servicer Termination Event has not occurred and Nationwide is still capable of servicing the Loans.

(E) *Appointment of back-up cash manager and back-up cash manager facilitator*

Amend the Cash Management Agreement to appoint a back-up cash manager facilitator immediately following passage of the proposal who will be required to assist the Cash Manager in the identifying and appointing of a back-up cash manager satisfactory to the LLP and the Security Trustee within 60 days of the Cash Manager losing certain ratings.

There is currently no requirement to appoint a back-up cash manager, so the appointment of a third party facilitator and the introduction of rating triggers requiring the appointment of a back-up cash manager will help to ensure the continuity of bond and swap payments and avoid any unnecessary disruption and cost to the LLP of transferring cash management services whilst Nationwide is still capable of performing such operations.

(F) *Future Changes to Rating Agency counterparty criteria*

Amend the Trust Deed and the Deed of Charge to allow future amendments to be made to the Transaction Documents that reflect updates to Rating Agency counterparty criteria without requiring the consent of the Security Trustee, the Bond Trustee or the Covered Bondholders and irrespective of whether or not such modifications might otherwise constitute a Series Reserved Matter and irrespective of whether or not such modifications might otherwise be materially prejudicial to the interest of the Covered Bondholders. This would be subject to certain conditions including: (i) providing notification of the proposed amendments to the Rating Agencies; (ii) a condition that such amendments would not cause the then current ratings of the Covered Bonds to be adversely affected or withdrawn and (iii) and such amendments would not impose any additional obligations on the Bond Trustee or the Security Trustee.

(G) *Consent Fee*

The Issuer will pay each Eligible Covered Bondholder (as defined below) a Consent Fee (as defined below) in the event that such Eligible Covered Bondholder voted in favour of the Third Extraordinary Resolution and the Third Extraordinary Resolution is passed and implemented. For a Covered Bondholder to be eligible to receive the Consent Fee, the Information and Tabulation Agent must receive a valid Electronic Voting Instruction or duly completed Form of Proxy in favour of the Third Extraordinary Resolution from such holder before 4:00 p.m. (London time) on Friday, 10 June 2016 (the **Early Voting Deadline**) which is not subsequently revoked (each an Eligible Covered Bondholder).

The amount of the consent fee that an Eligible Covered Bondholder who has submitted a valid Electronic Voting Instruction or Form of Proxy, received by the Information and Tabulation

Agent, prior to the Early Voting Deadline, in favour of the Third Extraordinary Resolution, which has then been passed and implemented, will be entitled to receive will be 0.01% of the Principal Amount Outstanding of the relevant Covered Bond which is the subject of the relevant Electronic Voting Instruction (the Consent Fee).

The Issuer will pay each Eligible Covered Bondholder an additional consent fee of 0.02% of the Principal Amount Outstanding of the relevant Covered Bond (the **Additional Consent Fee**) in the event that such Eligible Covered Bondholder has submitted a valid Electronic Voting Instruction or Form of Proxy, received by the Information and Tabulation Agent, prior to the Early Voting Deadline, in favour of this Third Extraordinary Resolution, the First Extraordinary Resolution (as defined in the Consent Solicitation Memorandum) and the Second Extraordinary Resolution (as defined in the Consent Solicitation Memorandum) PROVIDED THAT each of the First Extraordinary Resolution, the Second Extraordinary Resolution and the Third Extraordinary Resolution is passed and implemented.

No Eligible Covered Bondholder will be entitled to receive aggregated consent fees in an amount greater than 0.05% of the Principal Amount Outstanding of the relevant Covered Bond which is the subject of each Electronic Voting Instruction submitted in connection with the First Extraordinary Resolution, the Second Extraordinary Resolution and the Third Extraordinary Resolution.

- (H) It is proposed to incorporate all consequential amendments relating to paragraphs (A) to (F) above.
3. Sanctions and assents to every abrogation, modification, compromise or arrangement in respect of the rights of the Covered Bondholders appertaining to the Covered Bonds against the Issuer, whether or not such rights arise under the Trust Deed, involved in or resulting from or to be effected by, the modifications referred to in paragraphs (1) and (2) of this Third Extraordinary Resolution and its implementation.
  4. Authorises, directs, requests and empowers the Bond Trustee to concur in the modifications referred to in paragraphs (1) and (2) of this Third Extraordinary Resolution and, in order to give effect thereto and to implement the same, to Execute the Amendment Documents upon approval of the amendments by the Financial Conduct Authority subject to such amendments as are necessary or required to obtain such approval (as certified by the Issuer in writing to the Security Trustee and the Bond Trustee) and to direct the Security Trustee to (each document substantially in the form of the draft produced to this Meeting and for the purpose of identification, signed by the Chairman); and to concur in, and to execute and do, all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this Third Extraordinary Resolution and the implementation of the modifications referred to in paragraphs (1) and (2) of this Third Extraordinary Resolution.
  5. Waives any and all requirements, restrictions or conditions precedent set forth in the Transaction Documents on any person in respect of implementation of the modifications to and the entry into of the documents listed at paragraph 2 to give effect to and implement paragraphs (1) and (2) of this Third Extraordinary Resolution.
  6. Discharges, exonerates and indemnifies the Bond Trustee and the Security Trustee from all liability of whatsoever nature for which it may have become or may become responsible under the Trust Deed, the Covered Bonds or any of the Transaction Documents or LLP Transaction Documents (as the case may be) in respect of any act or omission in connection with this Third Extraordinary Resolution, the Consent Solicitation Memorandum, the Third Covered Bondholder Proposal or the Amendment Documents even though it may be subsequently found that there is a defect in the passing of this Third

Extraordinary Resolution or that for any reason, this Third Extraordinary Resolution is not valid or binding on the Covered Bondholders.

7. Agrees that capitalised terms in this document which are not defined herein shall have the meanings given to them in the Consent Solicitation Memorandum dated 26 May 2016 and the Third Covered Bondholder Proposal or the Trust Deed (including the Conditions) (copies of which are available on display as referred to in the Notice of Meeting).
8. Agrees and acknowledges that, by voting in favour of this Third Extraordinary Resolution, it has duly received notice of the Meeting and the Third Covered Bondholder Proposal on 26 May 2016 in accordance with the Terms and Conditions of the Covered Bonds.”

### **COVERED BONDHOLDER PROPOSALS**

The Issuer has convened the Meeting of the Covered Bondholders by the above notice to request that Covered Bondholders consider and, if thought fit, to pass (i) the First Extraordinary Resolution to give effect to the First Covered Bondholder Proposal, (ii) the Second Extraordinary Resolution to give effect to the Second Covered Bondholder Proposal and (iii) the Third Extraordinary Resolution to give effect to the Third Covered Bondholder Proposal.

Each Covered Bondholder Proposal is being put to Covered Bondholders for the reasons set out in the Consent Solicitation Memorandum.

**Covered Bondholders are referred to the Consent Solicitation Memorandum which provides further background to, the full reasons for, and further implications of, the Covered Bondholder Proposals.**

## GENERAL INFORMATION

The attention of Covered Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in paragraph C of **Voting and Quorum** below.

Copies of the Trust Deed (including the Conditions), the draft Amendment Documents referred to in the Extraordinary Resolutions set out above and certain other relevant documents will be available for inspection during normal business hours by Covered Bondholders at the specified office of the Information and Tabulation Agent set out below by 10:00 am on Thursday, 26 May 2016. Copies of Amendment Documents can also be downloaded from a password-protected website of the Information and Tabulation Agent at <https://debtportal.issuerservices.citigroup.com>. Covered Bondholders may obtain the password to this website upon request to the Information and Tabulation Agent, subject to satisfying the Consent Solicitation Restrictions.

The Investor Presentation will be made available for inspection to existing Covered Bondholders at [www.netroadshow.com](http://www.netroadshow.com). Access to the Investor Presentation will be provided to existing Covered Bondholders upon request to the Information and Tabulation Agent or Barclays Bank PLC, as Solicitation Agent, subject to satisfying the Consent Solicitation Restrictions.

## VOTING AND QUORUM

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

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

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

A Covered Bondholder not wishing to attend and vote at the Meeting in person may give an electronic voting instruction (by giving his voting instructions to Clearstream, Luxembourg and/or Euroclear (as applicable)) instructing the Information and Tabulation Agent to appoint a proxy to attend and vote at the Meeting in accordance with his instructions. By giving such electronic voting instruction, the Covered Bondholder irrevocably authorises Clearstream, Luxembourg and/or Euroclear (as applicable) to disclose to the Information and Tabulation Agent all information relating to or in connection with the holding of the Covered Bonds or the account in which the Covered Bonds are held.

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

- (a) the conclusion of the Meeting (or, if applicable, any adjournment of such Meeting); and
- (b) (i) in respect of voting certificate(s), the surrender to the Information and Tabulation Agent of such voting certificate(s) and notification by the Information and Tabulation Agent to the relevant Clearing System of such surrender or the compliance in such other manner with the rules of Clearstream, Luxembourg and/or Euroclear (as applicable); or

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

**B. For N Covered Bonds:**

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

In respect of N Covered Bonds, the persons entitled to vote shall be the persons registered as the holders of the N Covered Bonds as of the date of the Record Date.

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

A Covered Bondholder not wishing to attend and vote at the Meeting in person may give a Form of Proxy instructing the Information and Tabulation Agent to appoint a proxy to attend and vote at the Meeting in accordance with his instructions.

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

1. The quorum at the Meeting for passing each Extraordinary Resolution shall (subject as provided below) be one or more persons holding Covered Bonds or voting certificates or being proxies in respect thereof and holding or representing not less than 50% of the aggregate Principal Amount Outstanding of the Covered Bonds for the time being outstanding. If, within fifteen minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for the Meeting, a quorum is not present at the Meeting, the Meeting shall be adjourned for such period (which shall be not less than 13 clear days and not more than 42 clear days) and to such place as the Chairman determines either at or subsequent to such adjourned Meeting (with the approval of the Bond Trustee). The Extraordinary Resolution will be considered at an adjourned Meeting (notice of which will be given to the Covered Bondholders). The quorum at such an adjourned Meeting will be one or more persons holding Covered Bonds or voting certificates notwithstanding the aggregate Principal Amount Outstanding of the Covered Bonds of such Series so held or represented.
2. Every question submitted to the Meeting will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Issuer, the Guarantor, the Bond Trustee or any person present holding a Definitive Covered Bond or a voting certificate or being a proxy or representative (whatever the principal amount of the Covered Bonds so held or represented by him). On a show of hands every person who is present in person and produces a voting certificate or is a Holder of Covered Bonds or is a proxy or representative shall have one vote. On a poll every person who is so present in person or is a proxy shall have one vote in respect of £1 in the Principal Amount Outstanding of the Covered Bonds converted into Sterling at the Covered Bond Swap Rate applicable for each Series of Covered Bonds (if applicable) represented or held by such



person. The Principal Amount Outstanding of such Covered Bonds shall be the equivalent in Sterling converted at the Covered Bond Swap Rate applicable to such Series of Covered Bonds (if applicable). In case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Covered Bondholder or as a Holder of a voting certificate or as a proxy or as a representative.

3. To be passed, the Extraordinary Resolutions require a majority in favour consisting of not less than 75% of the votes cast on such Extraordinary Resolution. If passed, the Extraordinary Resolution will be binding upon all the Covered Bondholders, whether or not present at the Meeting and whether or not voting. Covered Bondholders should, however, be aware that the implementation of the Covered Bondholder Proposal will be conditional upon, among other things, the passing of the Extraordinary Resolutions.

**CITIBANK, N.A., LONDON BRANCH**  
**(Information and Tabulation Agent)**

Attention: Exchange Team  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**CITICORP TRUSTEE COMPANY LIMITED**

**(Bond Trustee)**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

This Notice is given by:  
Nationwide Building Society  
Nationwide House  
Pipers Way  
Swindon SN38 1NW

Dated 26 May 2016

Covered Bondholders should contact the Information and Tabulation Agent for further information:

Citibank, N.A., London Branch, Attention: Exchange Team, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, Tel: +44 (0) 20 7508 3867, Email: [exchange.gats@citi.com](mailto:exchange.gats@citi.com).

**ISSUER**

**Nationwide Building Society**  
Nationwide House  
Pipers Way  
Swindon SN38 1NW

**INFORMATION AND TABULATION AGENT**  
**Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

Tel: +44 (0) 20 7508 3867

Attention: Exchange Team

Email: [exchange.gats@citi.com](mailto:exchange.gats@citi.com)

Password-protected website of the Information and Tabulation Agent:  
<https://debtportal.issuerservices.citigroup.com>

**SOLICITATION AGENTS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
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Tel: +44 203 134 8515  
Attention: Liability Management Group

**Nationwide Building Society**  
Nationwide House, Pipers Way  
Swindon SN38 1NW