

LLOYDS BANK

CORPORATE MARKETS



LLOYDS BANK CORPORATE MARKETS plc

(incorporated in England with limited liability with registered number 10399850)

£10,000,000,000

Euro Medium Term Note Programme

This Prospectus (the “**Prospectus**”) is issued in connection with the Programme (as defined below). Save where otherwise specified in the applicable Final Terms, any Notes (as defined below) issued under the Programme on or after the date of this Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue. Under the Euro Medium Term Note Programme described in this Prospectus (the “**Programme**”), Lloyds Bank Corporate Markets plc (the “**Issuer**” or “**LBCM**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed £10,000,000,000 (or the equivalent in other currencies), subject to increase as provided herein.

Notes to be issued under the Programme will constitute unsecured and unsubordinated obligations of the Issuer.

Application has been made to the Financial Conduct Authority (the “**FCA**”) under Part VI of the Financial Services and Markets Act 2000 (the “**FSMA**”) for Notes issued under the Programme (other than PR Exempt Notes (as defined below)) for the period of twelve 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 London Stock Exchange’s Regulated Market (the “**Market**”). References in this Prospectus to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “**MiFID II**”).

Application has also been made for PR Exempt Notes issued under the Programme to be admitted to trading on the International Securities Market (the “**ISM**”) of the London Stock Exchange. **The ISM is not a regulated market for the purposes of MiFID II. The ISM is a market designated for professional investors. Securities admitted to trading on the ISM are not admitted to the Official List of the FCA. The London Stock Exchange has not approved or verified the contents of this Prospectus.**

The Programme provides that PR Exempt Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets (other than a stock exchange or market which is a regulated market for the purposes of MiFID II) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted PR Exempt Notes and/or PR Exempt Notes not admitted to trading on any stock exchange or market. In the case of PR Exempt Notes, the applicable Pricing Supplement (as defined below) will state whether or not the relevant Notes will be so listed and/or admitted to trading and, if so, the market on which such Notes are admitted to trading.

The relevant Final Terms (as defined herein) or Pricing Supplement (as defined herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Market (or any other stock exchange). References in this Prospectus to “**PR Exempt Notes**” are to Notes for which no prospectus is required to be published pursuant to the Prospectus Regulation (as defined herein). Information contained in this Prospectus regarding PR Exempt Notes shall not be deemed to form part of this Prospectus and the FCA acting under Part VI of the FSMA has neither approved nor reviewed information contained in this Prospectus in connection with the offering and sale of PR Exempt Notes. In the case of PR Exempt Notes, notice of the aforesaid information which is applicable to each Tranche (as defined herein) will be set out in a pricing supplement document (“**Pricing Supplement**”). Accordingly, in the case of PR Exempt Notes, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement, unless the context requires otherwise.

This Prospectus has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as (a) an endorsement of the Issuer; or (b) an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Each Tranche of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**” and, together with the temporary Global Notes, the “**Global Notes**”). Notes in registered form may also be issued. The minimum specified denomination of the Notes shall be at least the greater of (i) €100,000 (or its equivalent in another currency as at the date of issue of the Notes) or (ii) the minimum amount allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency of the Notes.

As at the date of this Prospectus: (i) long-term senior obligations of the Issuer are rated “A” by S&P, “A1” by Moody’s and “A+” by Fitch and (ii) short-term senior obligations of the Issuer are rated “A-1” by S&P, “P-1” by Moody’s and “F1” by Fitch. Each of Fitch, Moody’s and S&P is established in the United Kingdom or the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the United Kingdom or the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies will be disclosed in the relevant Final Terms or Pricing Supplement. 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.

This Prospectus will be valid as a base prospectus under the Prospectus Regulation for 12 months from 5 August 2020. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes.

Prospective investors in Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. It is the responsibility of prospective investors to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer, the Trustee (as defined herein) or any Dealer (as defined herein) in that regard.

Arranger

Lloyds Bank Corporate Markets

Dealers

Barclays

Citigroup

Goldman Sachs International

ING

Lloyds Bank Corporate Markets

Morgan Stanley

Santander Corporate & Investment Banking

TD Securities

BNP PARIBAS

Crédit Agricole CIB

HSBC

J.P. Morgan

Mizuho Securities

RBC Capital Markets

Scotiabank

This Prospectus comprises a base prospectus for the purposes of the Prospectus Regulation. When used in this Prospectus, “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and the Prospectus as completed by the relevant Final Terms or the Pricing Supplement (as applicable) does not omit anything likely to affect the import of such information.

The Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable Supplemental Prospectus or any applicable drawdown prospectus;**
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;**
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;**
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;**
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and**
- (vi) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Notes.**

An investment in the Notes may give rise to higher yields than a bank deposit placed with a deposit-taking bank within the LBCM Group. However, an investment in the Notes carries risks which are very different from the risk profile of such a bank deposit. The Notes may provide greater liquidity than a bank deposit since bank deposits are generally not transferable. Conversely, unlike certain bank deposits (i) (where the Put Option is stated in the relevant Final Terms or Pricing Supplement to be not applicable) holders of the Notes have no ability to require repayment of their investment unless an Event of Default occurs and then only in limited circumstances (see “Terms and Conditions of the Notes”) and (ii) holders of the Notes will not have the benefit of any insurance or deposit guarantee of the FSCS (as defined below) or any other government agency. See also “*Risks related to the structure of a particular issue of Notes*” and “*Risks related to Notes generally*”.

Some Notes may be purchased by investors 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 any Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

No person is or has been authorised to give any information or to make any representation other than as contained in this Prospectus in its entirety in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers, the Arranger or the Trustee (each as defined in “Overview of the Programme”). Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the LBCM Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Trustee, the Arranger or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each prospective 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. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer of, or an invitation by or on behalf of, the Issuer or any of the Dealers or the Trustee to any person to subscribe for or purchase, any Notes.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Arranger as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Dealers nor the Arranger accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme.

The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET: The Final Terms or Pricing Supplement in respect of any Notes will include a legend entitled “MiFID II 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 “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II (as defined below) 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 EU Delegated Directive 2017/593 (the “MiFID 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 Product Governance Rules.

PRIIPS / IMPORTANT – EEA AND 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 European Economic Area (“EEA”) or in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as defined below); or (ii) a customer within the meaning of Directive (EU) 2016/97 where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making

them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”), and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the accounts or benefit of, U.S. persons. The Notes are being offered and sold outside the United States to persons that are not U.S. persons (as defined in Regulation S (“Regulation S”) under the Securities Act) in reliance on Regulation S. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Selling Restrictions”. If, in respect of any offering of Notes, the offer of such Notes in a given jurisdiction is required to be made by a licensed broker or dealer and if any Dealer or any affiliate of any Dealer involved in such offering is so licensed and so agrees, the offer of such Notes in such jurisdiction shall be deemed to be made by the relevant Dealer(s) or affiliate(s), as the case may be, on behalf of the Issuer.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “£”, “pounds” and “Sterling” are to pounds sterling, references to “U.S. dollars” and to “U.S.\$” are to United States dollars, references to “Yen” are to Japanese Yen and references to “€” and “euro” are 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 European Union, as amended.

If the Global Notes are stated in the applicable Final Terms or Pricing Supplement to be issued in new global note (“NGN”) form, the Global Notes will 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/or any other agreed clearing system. If a Global Certificate is held under the new safekeeping structure (the “NSS”), the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Global Notes which are not issued in NGN form (“Classic Global Notes” or “CGNs”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Notes in registered form (“Registered Notes”) will be represented by registered certificates (each a “Certificate”). Registered Notes which are sold to persons that are not U.S. persons in an ‘offshore transaction’ within the meaning of Regulation S under the Securities Act, will initially be represented by a permanent registered global certificate (each, a “Global Certificate”), which will, unless held under the NSS, be deposited on the issue date of the relevant Tranche either with (a) a common depositary on behalf of Euroclear and Clearstream, Luxembourg and/or (b) any other agreed clearing system.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) acting as stabilisation manager(s) (the “Stabilisation Manager(s)”) (or persons acting on behalf of any Stabilisation

Manager(s)) 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 may begin on or after the date on which adequate public disclosure of the Final Terms or Pricing Supplement, as applicable, of the offer of the relevant Tranche 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

The investment activities of certain investors are subject to 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) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any 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.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the “Benchmark Regulation”). If any such reference rate does constitute such a benchmark, the applicable Final Terms or Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“ESMA”) pursuant to Article 36 of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms or Pricing Supplement (or, if located outside the European Union or the UK, recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms or Pricing Supplement to reflect any change in the registration status of the administrator.

SINGAPORE SFA PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), 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 the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded 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).

Certain Definitions

In this Prospectus, reference to:

- (i) **“BoS”** is to Bank of Scotland plc;
- (ii) **“FCA”** is to the United Kingdom Financial Conduct Authority;
- (iii) **“FSMA”** is to the Financial Services and Markets Act 2000;
- (iv) **“Issuer”** or **“LBCM”** is to Lloyds Bank Corporate Markets plc;
- (v) **“LBCM Group”** is to LBCM and its subsidiary and associated undertakings;
- (vi) **“LBG”** is to Lloyds Banking Group plc;
- (vii) **“Lloyds Bank”** is to Lloyds Bank plc; and
- (viii) **“Lloyds Banking Group”** is to LBG and its subsidiary and associated undertakings (including the LBCM Group and Lloyds Bank and its subsidiary and associated undertakings).

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FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute forward looking statements with respect to the business, strategy, plans and/or results of LBCM Group and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the LBCM Group's or its directors' and/or management's beliefs and expectations, are forward looking statements. Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', '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.

Examples of such forward looking statements include, but are not limited to: projections or expectations of the LBCM Group's future financial position including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets, expenditures or any other financial items or ratios; litigation, regulatory and governmental investigations; the LBCM Group's future financial performance; the level and extent of future impairments and write-downs; statements of plans, objectives or goals of the LBCM Group or its management including in respect of statements about the future business and economic environments in the UK and elsewhere including, but not limited to, future trends in interest rates, foreign exchange rates, credit and equity market levels and demographic developments; statements about competition, regulation, disposals and consolidation or technological developments in the financial services industry; and statements of assumptions underlying such statements.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future.

Factors that could cause actual business, strategy, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward looking statements made by the LBCM Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; market related trends and developments; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; any impact of the transition from interbank offered rates (IBORs) to alternative reference rates; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the credit ratings of the LBCM Group or LBG; the ability to derive cost savings and other benefits including, but without limitation as a result of any acquisitions, disposals and other strategic transactions; the ability to achieve strategic objectives; changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; concentration of financial exposure; management and monitoring of conduct risk; instability in the global financial markets, including Eurozone instability, instability as a result of uncertainty surrounding the exit by the UK from the European Union ("EU") and as a result of such exit and the potential for other countries to exit the EU or the Eurozone and the impact of any sovereign credit rating downgrade or other sovereign financial issues; political instability including as a result of any UK general election; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; natural, pandemic (including but not limited to the coronavirus disease ("COVID-19") outbreak) and other disasters, adverse weather and similar contingencies outside the control of the LBCM Group or LBG; inadequate or failed internal or external processes or systems; acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical or other such events; risks relating to climate change; changes in laws, regulations, practices and accounting standards or taxation, including as a result of the exit by the UK from the EU, or a further possible referendum on Scottish independence; changes to regulatory capital or liquidity requirements and similar contingencies outside the control of the LBCM Group or LBG; the policies, decisions and actions of governmental or regulatory authorities or courts in the UK, the EU, the United States (the "U.S.") or elsewhere including the implementation and interpretation of key legislation and regulation together with any resulting

impact on the future structure of the LBCM Group; the ability to attract and retain senior management and other employees and meet its diversity objectives; actions or omissions by the LBCM Group's directors, management or employees including industrial action; changes to LBG's post-retirement defined benefit scheme obligations; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; the value and effectiveness of any credit protection purchased by the LBCM Group; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services, lending companies and digital innovators and disruptive technologies; and exposure to regulatory or competition scrutiny, legal, regulatory or competition proceedings, investigations or complaints.

The LBCM Group may also make or disclose written and/or oral forward looking statements in the LBCM Group's annual reviews, half-year announcements, proxy statements, offering circulars, prospectuses, press releases and other written materials and in oral statements made by the directors, officers or employees of the LBCM Group to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward looking statements contained in this Prospectus are made as of the date hereof, and the LBCM Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this Prospectus to reflect any change in the LBCM Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. See "*Risk Factors*" below.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents:

Lloyds Bank Corporate Markets plc financial statements:

- (i) The Issuer's 2020 Half-Year Results for the half-year to 30 June 2020, including the unaudited condensed consolidated financial statements prepared on a statutory basis for the half-year to 30 June 2020, together with the independent review report thereon, as set out on pages 8 to 36 and 38 to 39 thereof, respectively (the "**Issuer's 2020 Half-Year Results**"); and available at https://www.lloydsbankinggroup.com/globalassets/documents/investors/2020/2020_lbcm_hy_result_s.pdf;
- (ii) The Issuer's Annual Report and Accounts 2019 including the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2019, together with the audit report thereon, as set out on pages 23 to 98 and 16 to 22, respectively (the "**Issuer's 2019 Annual Report**"); and available at https://www.lloydsbankinggroup.com/globalassets/documents/investors/2019/2019_lbcm_annual_report.pdf;
- (iii) The Issuer's Annual Report and Accounts 2018 including the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018, together with the audit report thereon, as set out on pages 19 to 80 and 11 to 18, respectively (the "**Issuer's 2018 Annual Report**") and available at https://www.lloydsbankinggroup.com/globalassets/documents/investors/2018/2018_lbcm_annual_report_v2.pdf; and
- (iv) The Issuer's audited combined carve-out financial statements for the financial year ended 31 December 2018, together with the accountant's report (the "**Accountant's Report**") thereon (the "**2018 Carve Out Financial Statements**"), as set out on pages F-101 to F-163 and F-99 to F-100, respectively and available at https://www.lloydsbankinggroup.com/globalassets/documents/investors/2019/emtn_lbcm_prospectus_25jun2019.pdf

Other documents incorporated by reference:

- (v) The section entitled "Terms and Conditions" on pages 54 to 92 of the Base Prospectus dated 25 June 2019 relating to the Issuer's £10,000,000,000 EMTN Programme available at https://www.lloydsbankinggroup.com/globalassets/documents/investors/2019/emtn_lbcm_prospectus_25jun2019.pdf;

all of which have been previously published and filed with the FCA and which shall be deemed to be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any documents or information themselves incorporated by reference in, or cross-referred to in, the documents incorporated by reference in this Prospectus shall not form part of this Prospectus unless also separately incorporated by reference above. In each case, where only certain sections of a document referred to above are incorporated by reference in the Prospectus, the parts of the document which are not incorporated by reference are either not relevant to prospective investors in the Notes or are covered elsewhere in this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated in whole or in part by reference herein. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Prospectus. Copies of all documents incorporated by reference in this Prospectus can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included or incorporated by reference in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus (a “**Supplemental Prospectus**”) or publish a new prospectus for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in “*Subscription and Sale*”) that it will comply with Article 23 of the Prospectus Regulation.

PRESENTATION OF FINANCIAL INFORMATION

In this Prospectus, references to the “**consolidated financial statements**” are to LBCM’s consolidated financial statements included in the Issuer’s 2020 Half-Year Results, the Issuer’s 2019 Annual Report and the Issuer’s 2018 Annual Report, unless indicated otherwise.

The consolidated financial statements of the Issuer incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the EU as applied in accordance with the provisions of the Companies Act 2006.

Certain businesses and companies were transferred to the Issuer from other parts of the Lloyds Banking Group during May to December 2018 as part of the Ring-fencing programme to establish the LBCM Group as the non-ring-fenced sub-group of the Lloyds Banking Group. See “*Lloyds Bank Corporate Markets plc – Ring-Fencing*”. Neither the Issuer nor the LBCM Group traded during 2017 and the Issuer’s 2018 Annual Report reflects the staggered nature of the transfers during 2018.

The 2018 Carve Out Financial Statements incorporated by reference in this Prospectus have been prepared on the basis set out therein. PricewaterhouseCoopers LLP has provided an Accountant’s Report which is also incorporated by reference in this Prospectus. The financial information contained in the 2018 Carve Out Financial Statements is different to the financial information contained in the Issuer’s 2018 Annual Report. Differences arise principally because:

- the financial information contained in the 2018 Carve Out Financial Statements, is prepared on a basis that combines the results, assets and liabilities of the Transferred Business (as defined in the 2018 Carve Out Financial Statements) as if all of the transfers described had occurred on 1 January 2018, together with any further necessary adjustments to reflect the costs of carrying on such businesses, and by applying the principles underlying the consolidation procedures of IFRS 10 – “Consolidated Financial Statements” for the year ended 31 December 2018.
- on such basis, the 2018 Carve Out Financial Statements set out the combined balance sheet, statements of changes in equity, results of operations and cash flows for the year ended 31 December 2018. The 2018 Carve Out Financial Statements incorporated by reference herein are prepared on a different basis from the statutory financial statements of LBCM for the comparable years albeit both are prepared in accordance with IFRS.
- IFRS does not provide for the preparation of combined financial information or for the specific accounting treatment set out in the Accountant’s Report. Accordingly, when preparing the 2018 Carve Out Financial Statements, certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to the Standards for Investment Reporting 2000 – “Standards for Investment Reporting applicable to public reporting engagements on historical financial information” issued by the UK Auditing Practices Board have been applied.

As a result, the financial information contained in the 2018 Carve Out Financial Statements is not directly comparable with previous financial information for the Issuer set out in this Prospectus. In addition, as discussed in Note 1 to the 2018 Carve Out Financial Statements, the 2018 Carve Out Financial Statements do not include comparative figures for the prior year as required by IAS 1 - “Presentation of financial statements” and the Accountant’s Report is therefore qualified in this respect. Investors should consider the 2018 Carve Out Financial Statements carefully when making any investment decision relating to the Notes. In addition, investors should not rely on or base their decision on the previous or future financial results disclosures of the Lloyds Banking Group, Lloyds Bank and its subsidiary and associated undertakings or any other source.

OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference and the relevant Final Terms or Pricing Supplement.

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| Issuer | Lloyds Bank Corporate Markets plc |
| Legal Entity Identifier (LEI) of the Issuer: | 213800MBWEIJDM5CU638 |
| Website of the Issuer: | www.lloydsbankinggroup.com |
| Business | Lloyds Bank Corporate Markets plc (the “ Issuer ”) was incorporated in England and Wales on 28 September 2016 (Company Number 10399850). The Issuer’s registered office is at 25 Gresham Street, London EC2V 7HN. The Issuer and its subsidiary and associated undertakings are referred to as the “ LBCM Group ”. As at the date of this Prospectus, the Issuer is a wholly-owned subsidiary of LBG. Its main businesses are commercial lending, trade and working capital finance, bonds and structured finance, risk management and in addition retail banking to customers in the Bailiwick of Jersey, the Bailiwick of Guernsey and the Isle of Man (together, the “ Crown Dependencies ”). |
| Risks relating to the LBCM Group and the Notes | Investing in the Notes issued under the Programme involves certain risks. The principal risks that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under “ <i>Risk Factors</i> ” below. |
| <i>Investors should note that the risks that are stated to apply to “the LBCM Group” apply also to the Issuer.</i> | |
| Description | Euro Medium Term Note Programme. |
| Size | Up to £10,000,000,000 (or the equivalent in other currencies at the date of issue). |
| Arranger | Lloyds Bank Corporate Markets plc |
| Dealers | Banco Santander, S.A. Barclays Bank PLC BNP Paribas Citigroup Global Markets Europe AG Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Goldman Sachs International HSBC Bank plc ING Bank N.V. J.P. Morgan Securities plc Lloyds Bank Corporate Markets plc Mizuho International plc Morgan Stanley & Co. International plc RBC Europe Limited |

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| | Scotiabank Europe plc The Toronto-Dominion Bank (together with any dealer appointed by the Issuer under the Programme from time to time, the “ Dealers ”). The Issuer may terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or the Programme. |
| Trustee | The Law Debenture Trust Corporation p.l.c. |
| Issuing and Paying Agent | Citibank, N.A., London Branch |
| Method of Issue | The Notes will be issued on a syndicated or non-syndicated basis and will be issued in series (each, a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant final terms (each, a “ Final Terms ”) or the relevant pricing supplement document (each, a “ Pricing Supplement ”). |
| Issue Price | Notes may be issued at their nominal amount or at a discount or premium thereto. |
| Form of Notes | The Notes may be issued in bearer form only (“ Bearer Notes ”) represented by a Global Note, in bearer form exchangeable for Registered Notes (“ Exchangeable Bearer Notes ”) or in registered form only (“ Registered Notes ”) represented by a Global Certificate. |
| Clearing Systems | Clearstream, Luxembourg, Euroclear and such other clearing system as agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s). |
| Initial Delivery of Notes | On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or |

delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).

Registered Notes will initially be represented by a Global Certificate, which, if not held under the NSS, will be deposited on the issue date of the relevant Tranche either with (a) a common depository on behalf of Euroclear and Clearstream, Luxembourg or (b) any other agreed clearing system.

Currencies

Subject to compliance with all relevant laws, regulations and directives, any currency agreed between the Issuer and the relevant Dealer(s).

Maturities

Subject to compliance with all relevant laws, regulations and directives, any maturity.

Denomination

Definitive Notes will be in such denominations as agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms or Pricing Supplement save that the minimum denomination of each Note shall be at least the greater of (i) €100,000 (or its equivalent in another currency as at the date of issue of the Notes) or (ii) the minimum amount 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.

Fixed Rate Notes

Fixed Rate Notes will bear interest at the rate specified in the relevant Final Terms or Pricing Supplement, such interest being payable in arrear on the date(s) in each year specified in the relevant Final Terms or Pricing Supplement.

Fixed Rate Reset Notes

Fixed Rate Reset Notes will bear interest calculated by reference to a fixed rate of interest for an initial period and thereafter by reference to a fixed rate of interest recalculated on certain dates and by reference to a mid-market swap rate or to one or more treasury rates, as adjusted for any applicable margin, in each case as may be specified in the relevant Final Terms or Pricing Supplement, such interest being payable in arrear on the date(s) in each year specified in the relevant Final Terms or Pricing Supplement.

Floating Rate Notes

Floating Rate Notes will bear interest as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in “*Terms and Conditions of the Notes*”); or
- (ii) by reference to LIBOR, EURIBOR, BBSW, €STR, SOFR, SONIA or NIBOR, as adjusted for any applicable margin.

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| | Floating Rate Notes may also have a maximum interest rate and/or a minimum interest rate. |
| Zero Coupon Notes | Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than after the Maturity Date. |
| Redemption | The relevant Final Terms or Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified circumstances) 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 specified in the relevant Final Terms or Pricing Supplement and/or any drawdown prospectus. |
| Status of Notes | Notes will constitute unsecured and unsubordinated obligations of the Issuer. |
| Early Redemption | Except as provided in “Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity upon the occurrence of a Tax Event (as defined in “ <i>Terms and Conditions of the Notes</i> ”). |
| Remedies for Non-Payment | The Notes do not provide for acceleration following non-payment of interest other than in a winding-up of the Issuer. |
| Withholding Tax | All payments of principal and interest (if any) in respect of the Notes will be made without withholding or deduction for, or on account of, taxes of the United Kingdom, unless such withholding or deduction is required by law. In the event such withholding or deduction is made, additional amounts may be payable by the Issuer, subject to certain exceptions as more fully described in Condition 7. |
| Governing Law | The Notes, and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law. |
| Listing and Admission to Trading | Application has been made to list Notes (other than PR Exempt Notes) issued under the Programme on the Official List and to admit them to trading on the Market and references to listing shall be construed accordingly. Application has also been made for PR Exempt Notes issued under the Programme to be admitted to trading on the ISM of the London Stock Exchange. The Programme also provides that PR Exempt Notes may be unlisted and/or may be admitted to trading on another market or stock exchange (which is not a MiFID regulated market), as set out in the applicable Pricing Supplement. |
| Ratings | S&P Global Ratings Europe Limited, UK Branch (“ S&P ”) is expected to rate: Notes issued by the Issuer under the Programme with a maturity of one year or more “A” and Notes issued by the Issuer under the Programme with a maturity of |

less than one year “A-1”. Fitch Ratings Limited (“**Fitch**”) is expected to rate: Notes issued by the Issuer under the Programme with a maturity of one year or more “A+” and Notes issued by the Issuer under the Programme with a maturity of less than one year “F1”. Moody’s Investors Service Limited (“**Moody’s**”) is expected to rate: Notes issued by the Issuer under the Programme with a maturity of one year or more “A1” and Notes issued by the Issuer under the Programme with a maturity of less than one year “P-1”.

The credit ratings referred to and included in this Prospectus have been issued by S&P, Fitch and Moody’s, each of which is established in the EU or in the UK and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Tranches of Notes (as defined in “*Overview of the Programme – Method of Issue*”) to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the EU or, if applicable, the UK and registered under Regulation (EC) No. 1060/2009 (as amended) on credit rating agencies will be disclosed in the relevant Final Terms or Pricing Supplement. 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.

Selling Restrictions

United States, Prohibition of Sales to EEA and UK Retail Investors, Prohibition of Sales to Swiss Retail Investors, United Kingdom, Singapore and all jurisdictions listed in “*Selling Restrictions*”. Other restrictions may be required in connection with a particular issue of Notes. The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

The Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as such rules for purposes of section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (“**TEFRA D**”) unless (i) the relevant Final Terms or Pricing Supplement state, or states, as the case may be, that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form as such rules for purposes of section 4701 of the Code) (“**TEFRA C**”) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal

Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms or Pricing Supplement as a transaction to which TEFRA is not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme and confirms that the risks that are stated to apply to “the LBCM Group” below apply also to the Issuer. This section describes risk factors considered to be material to the Issuer and the LBCM Group at the date of this document. All of these factors are contingencies which may or may not occur. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme in relation to the LBCM Group are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known to the Issuer or which the Issuer currently deems immaterial may exist or become material and could adversely and materially affect the Issuer and/or the LBCM Group. Prospective purchasers should consider carefully the risks and uncertainties described below, together with all other information contained in this Prospectus, the information incorporated by reference herein and the relevant Final Terms or Pricing Supplement before making any investment decision.

Economic and Financial Risks

1. The LBCM Group’s businesses are subject to inherent risks concerning liquidity and funding, particularly if the availability of traditional sources of funding such as commercial deposits and Crown Dependencies retail deposits or the access to wholesale funding markets becomes more limited

Liquidity and funding continues to remain a key area of focus for the LBCM Group and the industry as a whole. Like many banks, the LBCM Group is dependent on confidence in the short and long-term wholesale funding markets. The LBCM Group relies on commercial and retail deposits and is dependent on continued access to the global wholesale funding markets to meet its funding needs. The ability of the LBCM Group to gain access to wholesale and retail funding sources on satisfactory economic terms is subject to a number of factors outside its control, such as liquidity constraints, general market conditions, regulatory requirements, the encouraged or mandated repatriation of deposits by foreign wholesale or central bank depositors and the level of confidence in the banking system.

The LBCM Group’s profitability or solvency could be adversely affected if access to liquidity and funding is constrained, made more expensive for a prolonged period of time or if the LBCM Group experiences an unusually high and unforeseen level of withdrawals. In such circumstances, the LBCM Group may not be in a position to continue to operate or meet its regulatory minimum liquidity requirements without additional funding support, which it may be unable to access (including government and central bank facilities).

The LBCM Group is also subject to the risk of deterioration of the commercial soundness and/or perceived soundness of other financial services institutions within and outside the UK. Financial services institutions that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This presents systemic risk and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the LBCM Group interacts on a daily basis, any of which could have a material adverse effect on the LBCM Group’s ability to raise new funding. A default by, or even concerns about the financial resilience of, one or more financial services institutions could lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions, which could have a material adverse effect on the LBCM Group’s results of operations, financial condition or prospects.

Corporate and institutional counterparties may seek to reduce aggregate credit exposures to the LBCM Group or the Lloyds Banking Group (or to all banks) which could increase the LBCM Group’s cost of funding

and limit its access to liquidity. The funding structure employed by the LBCM Group may also prove to be inefficient, thus giving rise to a level of funding cost where the cumulative costs are not sustainable over the longer term. The LBCM Group also relies on commercial deposits and the Crown Dependencies retail deposits, as well as direct and indirect ongoing access to the global wholesale funding markets as an important source of funding. Such depositors may seek to reduce balances which could further expose the LBCM Group to dislocations in the wholesale funding markets.

In addition, medium-term growth in the LBCM Group's lending activities will rely, in part, on the availability of commercial and retail deposit funding on appropriate terms, which is dependent on a variety of factors outside the LBCM Group's control, such as general macroeconomic conditions and market volatility, the confidence of depositors in the economy, the financial services industry and the LBCM Group, as well as the availability and extent of deposit guarantees. Increases in the cost of commercial and retail deposit funding could impact the LBCM Group's margins and affect profit, and a lack of availability of commercial and retail deposit funding could have a material adverse effect on the LBCM Group's future growth.

Any loss in consumer confidence in the LBCM Group could significantly increase the amount of commercial and/or retail deposit withdrawals in a short period of time. See *“Economic and Financial Risks – The LBCM Group's businesses are subject to inherent and indirect risks arising from general macroeconomic conditions in the UK in particular, but also in the U.S., the EU, Asia, the Crown Dependencies and globally”*.

In addition, if the wholesale funding markets were to suffer stress or central bank provision of liquidity to the financial markets is abruptly curtailed, or the Issuer's credit ratings are downgraded, wholesale funding could prove more difficult to obtain. Such increased financing risk, in isolation or in concert with the related liquidity risks noted above, could have a material adverse effect on the LBCM Group's profitability and, in the longer term under extreme and unforeseen circumstances, its ability to meet its financial obligations as they fall due.

Any of the refinancing or liquidity risks mentioned above, in isolation or in concert, could have a material adverse effect on the LBCM Group's results or operations and its ability to meet its financial obligations as they fall due.

2. The LBCM Group is subject to the risk of having insufficient capital resources and / or not meeting liquidity requirements

If the LBCM Group has, or is perceived to have, a shortage of regulatory capital or to be unable to meet its regulatory minimum liquidity requirements, then it may be subject to regulatory interventions and sanctions and may suffer a loss of confidence in the market with the result that access to sources of liquidity and funding may become constrained, more expensive or unavailable. This, in turn, may affect the LBCM Group's capacity to continue its business operations, pay future dividends and make other distributions or pursue acquisitions or other strategic opportunities, impacting future growth potential. See also the risk factor above entitled *“The LBCM Group's businesses are subject to inherent risks concerning liquidity and funding, particularly if the availability of traditional sources of funding such as commercial deposits and Crown Dependencies retail deposits or the access to wholesale funding markets becomes more limited”*.

A shortage of capital could arise from (i) a depletion of the LBCM Group's capital resources through increased costs or liabilities and reduced asset values which could arise as a result of the crystallisation of credit-related risks, regulatory and legal risks, business and economic risks, operational risks, financial soundness-related risks and other risks; and/or (ii) an increase in the amount of capital that is needed to be held; and/or (iii) changes in the manner in which the LBCM Group is required to calculate its capital and/or the risk-weightings applied to its assets. This might be driven by a change to the actual level of risk faced by the LBCM Group or to changes in the minimum capital required by legislation or by the regulatory authorities. For example, an aggregated RWA output floor has been proposed by the Basel Committee; however, there remains uncertainty on the timing and the impact of such a floor until such rules are translated into draft legislation. In

response to the economic impact of COVID-19, the Basel Committee has delayed the start of the transitional period by one year – instead of from 2022 to 2027, it will run from 2023 to 2028. Further, in the context of the UK’s departure from the EU, the application of the output floor in the United Kingdom will be a matter for the UK legislature and the LBCM Group’s prudential regulators.

Separately, the LBCM Group may address a shortage of capital by acting to reduce leverage exposures and/or risk-weighted assets, for example by way of business disposals and/or sale of assets. Such actions may impact the profitability of the LBCM Group.

A proportion of the Issuer’s risk-weighted assets are calculated from the Lloyds Banking Group’s approved models. These are subject to regular review on a rolling basis. These reviews and model implementation may lead to increased levels of risk-weighted assets and/or expected loss, which would lower reported capital ratios. The minimum capital requirements derived from risk-weighted assets are supplemented by the PRA, under Pillar 2 of the regulatory capital framework, through bank specific additional minimum requirements and through buffer requirements. There is a risk that through these Pillar 2 processes the PRA may require the Issuer to hold more capital than is currently planned.

In addition to the risk-based capital framework, the Issuer could be subject to leverage ratio requirements which may require the Issuer to hold more capital than is currently planned or to alter its business model in order to reduce leverage. A consultation paper in the UK is expected on whether the UK leverage framework will be applicable to the Issuer on an individual basis.

Whilst the LBCM Group monitors current and expected future capital, MREL and liquidity requirements, including having regard to both leverage and risk weighted assets-based requirements, and seeks to manage and plan the prudential position accordingly and on the basis of current assumptions regarding future regulatory capital and liquidity requirements, there can be no assurance that the assumptions will be accurate in all respects or that it will not be required to take additional measures to strengthen its capital or liquidity position. From a capital perspective, any new capital issuances for LBCM will be dependent on LBG having sufficient resources available or the ability to raise capital and then downstream. Market expectations as to capital and liquidity levels may also increase, driven by, for example, the capital and liquidity levels (or targets) of peer banking groups.

The LBCM Group’s borrowing costs and access to capital markets, as well as its ability to lend or carry out certain aspects of its business, could also be affected by future prudential regulatory developments in response to impact of COVID-19, in particular and, more generally, including (i) evolving European and global prudential and regulatory changes including the application of final Capital Requirements Regulation (“CRR II”) and Capital Requirements Directive (“CRD V”) rules, and the implementation of the final Basel IV reforms in Europe and the UK; (ii) regulatory changes in other jurisdictions to which the LBCM Group has exposure and (iii) the evolving regulatory and legal impacts of the UK’s exit from the EU.

Any of the risks mentioned above could have a material adverse effect on the LBCM Group’s liquidity, results of operations, its ability to continue its business operations and its financial condition.

3. Risks relating to the impact of COVID-19

The COVID-19 pandemic is an unprecedented health and economic crisis that is causing global disruption to normal patterns of business activity and daily life including in the UK. COVID-19 has had, and as at the date of this Prospectus continues to have, an adverse impact on supply chains, levels of consumer demand, economic output, unemployment rates and corporate insolvency levels. There are numerous risks associated with the pandemic that could have a material impact on the profitability, capital, liquidity and operational resilience of financial institutions such as the LBCM Group.

COVID-19 has caused disruption to the LBCM Group’s customers, suppliers and staff. Furthermore, the situation is rapidly evolving and testing the capacity of governments, central banks and regulators to handle a

simultaneous health and economic crisis with little historical precedent. All of the jurisdictions in which the LBCM Group operates have adopted severe restrictions on the movement of their respective populations to stem the pandemic's spread thereby causing a large recessionary decline in economic activity. The duration of these restrictive measures across jurisdictions is likely to remain highly uncertain without a readily available vaccine and the LBCM Group continues to monitor the situation closely. In the jurisdictions in which the LBCM Group operates, government measures have been implemented to aid economic sectors most impacted by the pandemic. Specific measures taken to alleviate the impact include corporate financing facilities, restrictions on fees associated with certain products and mortgage repayment holidays. The LBCM Group has participated in several relief schemes organised by government authorities in the UK such as the COVID Corporate Financing Facility ("CCFF"), and in the Crown Dependencies with the Disruption Guarantee Scheme Loans and mortgage forbearance. The long-term impact of these schemes on customers and the LBCM Group is unknown and participation could impact results of operations through lower net interest income and higher provisions over time. There is also a risk that in some circumstances the LBCM Group may not be able to claim under government guarantees, or the claim may be rejected, if it later transpires that all terms and conditions under the guarantee scheme were not met when the lending was originated.

Governments across the world have also aggressively expanded fiscal policy to deal with the economic fallout from the pandemic, which has led to higher levels of indebtedness in jurisdictions where the LBCM Group operates. In particular, higher debt levels in the UK could damage public finances and result in a sovereign downgrade that would also impact the ratings of LBG (and by extension the LBCM Group). Rating downgrades would have a material adverse impact on the LBCM Group's ability to raise funding in the wholesale markets (see "*Economic and Financial Risks - A reduction in the Issuer's short term and/or long term credit rating could materially adversely affect the LBCM Group's results of operations, financial condition or prospects*").

Central banks have also significantly increased the size of quantitative easing programmes and sharply reduced interest rates in an effort to improve financial market conditions. The onset of COVID-19 caused substantial market volatility including large increases in credit spreads, equity market declines, lower commodity prices and a tightening in funding market conditions. Governments' efforts to support financial markets have thus far been very effective, but attempts to withdraw stimulus in the future have the potential to cause renewed market volatility and stresses in the commercial paper or other short-term funding markets.

As a result of recent monetary policy actions, interest rates have declined substantially and financial markets are increasingly anticipating a wider use of unconventional policy tools such as negative interest rates. Interest rate markets, including government bond markets, are now pricing in the probability of negative interest rates over the next twelve months. Negative interest rates in the UK and U.S. would have an adverse impact on the LBCM Group's net interest income and profitability. In many countries, interest rates have already turned negative or are very close to zero and governments, including the UK, are borrowing at negative yields.

The potential long-term impacts of the crisis are still being assessed and the shape of any recovery remains unclear. Macroeconomic forecasts are expected to be revised over time and economic recovery is likely to be much slower, and more uneven across jurisdictions, than currently anticipated. At the end of the first half of 2020, at least one-third of the UK workforce had been furloughed and in May 2020, the Bank of England predicted that the UK could be facing the worst recession in three hundred years. The level of expected credit losses ("ECLs") the LBCM Group must take as a result of revised economic scenarios will be higher than forecast at 31 December 2019. While specific measures have been taken by regulators to bolster bank capital positions, including temporary forbearance on COVID-19 related provisions and their impact on capital ratios, the length of such forbearance is unknown and a change in policy could have a material impact on the capital levels of the LBCM Group. Furthermore, governments have, in some jurisdictions where the LBCM Group operates, already restricted dividend payments and capital distributions to improve the capital position of banks.

The UK Government has passed the new Corporate Insolvency and Governance Act 2020, which is designed to protect businesses affected by COVID-19. The Insolvency and Governance Act covers the suspension of the wrongful trading provisions of the Insolvency Act from 1 March until 30 September 2020, a moratorium for companies in financial distress, continued access to supplies, a new restructuring regime and a temporary prohibition on the presentation of winding up petitions. These moratoria could limit the LBCM Group's ability to exercise its rights and lead to higher credit losses through lower recovery rates. For risks associated with changes to insolvency regime, (see *"Economic and Financial Risks - The LBCM Group's businesses are subject to inherent risks concerning borrower and counterparty credit quality which have affected and may adversely impact the recoverability and value of assets on the LBCM Group's balance sheet"*).

Adverse changes in the credit quality of the LBCM Group's borrowers and counterparties or collateral held in support of exposures, or in their behaviour, may reduce the value of the LBCM Group's assets and materially increase write-downs, allowances for impairment losses and RWAs. This could have an adverse effect on the LBCM Group's results of operations, capital ratios and financial condition.

As a result of the COVID-19 pandemic, the potential for conduct and compliance risks that the LBCM Group is exposed to (see *"Business and Operational Risks – The LBCM Group is exposed to conduct risk, in relation to client conduct, market conduct and competition"*), as well as operational risks actually materialising, has increased notably in the areas of cyber, fraud, people, technology, operational resilience, supply chain issues such as provision of shared services by the Lloyds Banking Group (see *"Business and Operational Risks – The LBCM Group could fail to manage and govern the provision of internal services which could negatively impact on operations and customers and could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects"*) and where there is reliance on third-party suppliers.

In addition to the key operational risks, new risks are likely to arise as the Lloyds Banking Group (including the LBCM Group) changes its ways of working whilst managing any instances of COVID-19 among its employees and locations to ensure continuity of support to colleagues and customers (e.g. reduced staff numbers available to support customers or other key functions).

Additional disclosure may be required in relation to COVID-19 across various jurisdictions and the ability to produce such disclosure may be affected by operational support (key staff) and the availability of relevant underlying information. An inability to provide such disclosure on time or in full, could have a material adverse effect on the LBCM Group's relationships with public authorities.

Any and all such events described above could have a material adverse effect on the LBCM Group's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings (including potential changes of outlooks or ratings), as well as on its customers, borrowers, counterparties, employees and suppliers.

4. A reduction in the Issuer's short term and/or long term credit rating could materially adversely affect the LBCM Group's results of operations, financial condition or prospects

Rating agencies regularly evaluate the Issuer and its ratings of short term and/or long term debt are based on a number of factors which can change over time, including the LBCM Group's financial strength as well as factors not entirely within the LBCM Group's control, including conditions affecting the financial services industry generally, and the legal and regulatory frameworks affecting the LBCM Group's legal structure, business activities and the rights of its creditors. In light of the challenges in the financial services industry and the financial markets, there can be no assurance that the Issuer or its rated subsidiaries will maintain their current ratings. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Downgrades of the Issuer's credit ratings could lead to additional collateral posting and

cash outflow, significantly increase its borrowing costs, limit its issuance capacity in the capital markets and weaken the LBCM Group's competitive position in certain markets.

5. The LBCM Group's businesses are subject to inherent and indirect risks arising from general macroeconomic conditions in the UK in particular, but also in the U.S., the EU, Asia, the Crown Dependencies and globally

In addition to the risks associated to COVID-19, the LBCM Group's businesses are subject to inherent and indirect risks arising from general and sector-specific economic conditions in the markets in which it operates, particularly the UK, where the LBCM Group's earnings are predominantly generated as at the date of this Prospectus. However, the LBCM Group's international footprint may result in an increased proportion of the LBCM Group's income deriving from non-UK earnings in the future. The LBCM Group may have credit exposure in countries outside the UK even if it does not have direct exposure or a presence in such countries. Any significant macroeconomic deterioration in the UK and/or other economies such as the slowing of economic growth significantly below long-term average levels, reduced corporate profitability, inflationary pressures, including those arising from sterling's depreciation, reduced UK Government and/or consumer expenditure, increased corporate, fluctuations in commodity prices and changes in foreign exchange rates, SME or personal insolvency rates, rising unemployment, borrowers' reduced ability to repay loans, reduced personal income levels, increased tenant defaults, could have a material adverse effect on the results of operations, financial condition or prospects of the LBCM Group.

In the European Union for example, the pace of economic recovery, which has lagged behind that of other advanced countries following the global recession, has started to slow.

High levels of private and public debt, continued weakness in the financial sector and reform fatigue remain a concern. Conversely, further monetary policy stimulus from the European Central Bank could undermine financial stability by encouraging a further build-up of unsustainable debt. In addition, increased political uncertainty, and fragmentation risk in the EU and UK's exit from the EU, could create financial instability and have a negative impact on the Eurozone and global economies.

In addition, the effects on the UK, European and global economies of the uncertainties arising from the process of the UK's exit from the EU are difficult to predict but may include economic and financial instability in the UK, Europe and the global economy and the other types of risks described in "Regulatory and Legal Risks – Legal and regulatory risk arising from the UK's exit from the European Union could adversely impact the LBCM Group's business, results of operations, financial condition and prospects". In the event of any substantial weakening in the UK's economic growth, the possible policy of decreases in interest rates by the Bank of England or sustained low or negative interest rates would put further pressure on the LBCM Group's interest margins and adversely affect the LBCM Group's profitability and prospects.

Any default on the sovereign debt of a Eurozone country and the resulting impact on other Eurozone countries, including the potential that some countries could leave the Eurozone, could materially affect the capital and the funding position of participants in the banking industry, including the LBCM Group.

Moreover, the effects on the UK, European and global economies of the exit of one or more EU member states from the Economic and Monetary Union, or the redenomination of financial instruments from the Euro to a different currency, are extremely uncertain and very difficult to predict and protect fully against in view of: (i) the potential for economic and financial instability in the Eurozone and in the UK; (ii) the lasting impact on governments' financial positions of the global financial crisis; (iii) the uncertain legal position; and (iv) the fact that many of the risks related to the business are totally, or in part, outside the control of the LBCM Group. If any such events were to occur, they may result in: (a) significant market dislocation; (b) heightened counterparty risk; (c) an adverse effect on the management of market risk and, in particular, asset and liability management due, in part, to redenomination of financial assets and liabilities; (d) an indirect risk of counterparty failure; or

(e) further political uncertainty in the UK or other countries, any of which could have a material adverse effect on the results of operations, financial condition or prospects of the LBCM Group.

In addition, whilst it is possible that the current U.S. administration's economic policies might have an adverse effect on U.S. and global growth as well as global trade prospects, it is also possible that expansionary policies could boost U.S. and international growth temporarily at a time of limited spare capacity resulting in higher U.S. inflation and interest rates which could in turn significantly impact global investor risk appetite and pricing expectations, sparking elevated financial market volatility and a tightening of financial conditions.

Concerns remain around the impact of increased tariffs on trade between the U.S. and other nations including China, Canada and the EU. The potential for escalation of trade disputes and any retaliatory actions taken may adversely impact the global economic outlook.

Developing macroeconomic uncertainty in emerging markets, in particular the slowdown of international trade and industrial production, the high and growing level of debt in China and the risk of a sharp slowdown in Chinese economic growth, which may be exacerbated by attempts to de-risk its highly leveraged economy, or a devaluation of the Renminbi could pose threats to global economic recovery. External debt levels are higher now in emerging markets than before the global financial crisis, which could lead to higher levels of defaults and non-performing loans, in particular in an environment of rising interest rates.

Any adverse changes affecting the economies of the countries in which the LBCM Group has significant direct and indirect credit exposures, and any further deterioration in global macroeconomic conditions, including as a result of geopolitical events, global health issues, acts of war or terrorism, could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects.

6. The LBCM Group's businesses are subject to inherent risks concerning borrower and counterparty credit quality which have affected and may adversely impact the recoverability and value of assets on the LBCM Group's balance sheet

The LBCM Group has exposures to many different products, counterparties, obligors and other contractual relationships and the credit quality of its exposures can have a significant impact on the LBCM Group's earnings. Credit risk exposures are categorised as either "corporate" or "retail" and reflect the risks inherent in the LBCM Group's lending and lending-related activities.

Adverse changes in the credit quality of the LBCM Group's UK and/or international borrowers and counterparties or the value or availability of collateral held in support of exposures, or in their behaviour or businesses, may reduce the value of the LBCM Group's assets and materially increase the LBCM Group's write-downs and allowances for impairment losses. Credit risk can be affected by a range of factors outside the LBCM Group's control, which include but are not limited to an adverse economic environment, reduced consumer and/or government spending in the UK and other countries where the LBCM Group operates, inflation, changes in the credit rating of individual counterparties, the debt levels of individual contractual counterparties, reduced asset values, increased corporate or personal insolvency levels, falling stock and bond/other financial markets, reduced corporate profits, over-indebtedness, increased unemployment, changes in interest rates, changes in foreign exchange rates, counterparty challenges to the interpretation or validity of contractual arrangements, an increase in credit spreads, changes to insolvency regimes, both in the UK and/or in other jurisdictions where the LBCM Group may seek to pursue recovery, making it harder to enforce against counterparties, changes in customer and consumer demands and requirements, negative reputational impact or direct campaigns which adversely impact customers, industries or sectors and any external factors of a political, legislative, environmental or regulatory nature, including for example, trade wars, climate changes, technological disruptions, changes in accounting rules and changes to tax legislation and rates.

The LBCM Group has country exposure mainly in the UK, the U.S. and Europe with certain industry sectors, such as fund finance, as well as counterparties in higher risk and cyclical asset classes and sectors (such as business services, manufacturing, oil and gas and related sectors, hotels, automotive and related sectors,

construction, consumer related sectors (such as retail and leisure), real estate (including related sectors and commercial lending)). Outside of these countries, the LBCM Group also has a residential mortgage lending portfolio in the Crown Dependencies, and in Singapore, the LBCM Group is mainly exposed to trade finance activities. Furthermore, due to the LBCM Group's exposure to these sectors, the LBCM Group also has a concentrated exposure to "shadow banking" entities, which is a counterparty that carries out one or more credit intermediation activities (defined as bank-like activities) outside of a regulated framework and that is not an "excluded undertaking" (e.g. alternative funds, banks in country without equivalent regime, etc.). The European Banking Authority ("EBA") has issued guidelines on limits on exposures to shadow banking entities which carry out banking activities outside a regulated framework (EBA/GL/2015/20). The guidelines require the LBCM Group to identify and monitor its exposure to such entities.

The LBCM Group is also exposed to derivatives, money markets and repurchase transactions. Adverse movements in markets, currency, inflation, interest rates or other indices could materially impact the LBCM Group and may do so based on wholly unforeseen or unexpected events (often known as "black swan" events).

The LBCM Group's corporate lending portfolio also contains substantial exposure to large companies. In the UK for example, the LBCM Group's lending business is exposed to single name concentrations and this means that the LBCM Group would suffer a proportionally greater impact should default occur than if such lending was more diversified. The LBCM Group's monitoring and management of its credit portfolio concentration may not be successful and any concentration of credit risk could increase the potential for losses in its credit portfolio. The LBCM Group's corporate portfolios are also susceptible to "fallen angel" risk, that is, the probability of significant default increases following material unexpected events, resulting in the potential for large losses.

In addition, any disruption to the liquidity or transparency of the financial markets may result in the LBCM Group's inability to sell or syndicate securities, loans or other instruments or positions held (including through underwriting), thereby leading to concentrations in these positions. These concentrations could expose the LBCM Group to losses if the mark-to-market value of the securities, loans or other instruments or positions declines causing the LBCM Group to take write-downs. Moreover, the potential inability to reduce the LBCM Group's positions not only increases the market and credit risks associated with such positions, but also increases the level of risk-weighted assets on the LBCM Group's balance sheet, thereby increasing its capital requirements and funding costs, all of which could materially adversely affect the LBCM Group's results of operations, financial condition or prospects.

In addition, all lending decisions, and decisions related to other exposures (including, but not limited to, undrawn commitments, derivative, equity, contingent and/or settlement risks) are made by LBCM informed by analyses performed under the shared services model with the Lloyds Banking Group (the "**Shared Services Model**"). There is an inherent risk that the credit quality and/or the ability or willingness of borrowers to repay, possibly as a result of incomplete or inaccurate disclosure by those borrowers or as a result of the inherent uncertainty that is involved in the exercise of constructing and using models to estimate the risk of lending to counterparties has been incorrectly assessed. See "*Business and Operational Risks – The LBCM Group could fail to manage and govern the provision of internal services which could negatively impact on operations and customers and could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects*".

7. Market conditions have resulted, and are expected to result in the future, in material changes to the estimated fair values of financial assets of the LBCM Group, including negative fair value adjustments

The LBCM Group has exposures to securities, derivatives and other investments, including asset-backed securities, structured investments and equity investments that are recorded by the LBCM Group at fair value. These may be subject to negative fair value adjustments, particularly in view of the volatile global markets and challenging economic environment.

In volatile markets, hedging and other risk management strategies (including collateralisation and the purchase of credit default swaps) may not be as effective as they are in normal market conditions, due in part to the decreasing credit quality of hedge counterparties, and general illiquidity in the markets within which transactions are executed.

In circumstances where fair values are determined using financial valuation models, the LBCM Group's valuation methodologies may require it to make assumptions, judgements and estimates in order to establish fair value. These valuation models are complex and the assumptions used are difficult to make and are inherently uncertain. This uncertainty may be amplified during periods of market volatility and illiquidity. Any consequential impairments, write-downs or valuation adjustments could have a material adverse effect on the LBCM Group's results of operations, capital ratios, financial condition or prospects.

Any of these factors could cause the value ultimately realised by the LBCM Group for its securities and other investments may be lower than their current fair value or require the LBCM Group to record further negative fair value adjustments, which may have a material adverse effect on its results of operations, financial condition or prospects.

8. Any tightening of monetary policy in jurisdictions in which the LBCM Group operates could affect the financial condition of its customers, clients and counterparties, including governments and other financial institutions

Quantitative easing measures implemented by major central banks, adopted alongside record low interest rates to support recovery from the global financial crisis, have arguably helped loosen financial conditions and reduce borrowing costs. These measures may have supported liquidity and valuations for asset classes that are vulnerable to rapid price corrections as financial conditions tighten, potentially causing losses to investors and increasing the risk of default on the LBCM Group's exposure to these sectors.

Monetary policy in the United Kingdom and in the markets in which the LBCM Group operates has been highly accommodative in recent years, and there remains considerable uncertainty as to the direction of interest rates and the pace of change, as set by the Bank of England and other major central banks. Negative interest rates and yield curve targeting through secondary market purchases of government stocks have become more likely as central banks explore additional monetary policy options. In the UK, monetary policy has further been supported by the Bank of England and HM Treasury purchase of corporate bonds in the UK. In response to the evolving threat from the COVID-19 pandemic, the UK and other countries have adopted a series of financial measures to help offset the economic disruption from the spread of the virus. These include an unprecedented package of government-backed and guaranteed loans to support businesses, which includes the governments lending facility programmes, the COVID Corporate Financing Facility (CCFF) designed to support liquidity among companies other than credit institutions. Such a long period of stimulus has increased uncertainty over the impact of its reduction, which could lead to a risk of higher borrowing costs in wholesale markets, generally weaker than expected growth, or even contracting gross domestic product ("GDP"), reduced business and consumer confidence, higher levels of unemployment or underemployment, adverse changes to levels of inflation and falling property prices in the markets in which the LBCM Group operates, and consequently to an increase in delinquency rates and default rates among its customers. Similar risks result from the low level of inflation in developed economies, which in Europe particularly could deteriorate into sustained deflation if policy measures prove ineffective and economic growth weakens. Reduced monetary stimulus and the actions and commercial soundness of other financial institutions have the potential to impact market liquidity. The adverse impact on the credit quality of the LBCM Group's customers and counterparties, coupled with a decline in collateral values, could lead to a reduction in recoverability and value of the LBCM Group's assets and higher levels of impairment allowances which could have an adverse effect on the LBCM Group's operations, financial condition or prospects.

9. The LBCM Group’s businesses are inherently subject to the risk of market fluctuations, which could have a material adverse effect on the results of operations, financial condition or prospects of the LBCM Group

The LBCM Group’s businesses are inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, commodity, equity, bond and property prices and the risk that its customers act in a manner which is inconsistent with the LBCM Group’s business, pricing and hedging assumptions. Movements in these markets will continue to have a significant impact on the LBCM Group in a number of key areas.

Banking and trading activities that are undertaken by the LBCM Group are subject to market movements. For example, changes in interest rate levels, interbank margins over official rates, negative rates, yield curves and spreads affect the interest rate margin realised between lending and borrowing costs. The potential for future volatility and margin changes remains. Competitive pressures on fixed rates or product terms in existing loans and deposits may restrict the LBCM Group in its ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

Changes in foreign exchange rates, including with respect to the U.S. dollar and the Euro, may also have a material adverse effect the LBCM Group’s financial position and/or forecasted earnings.

10. The LBCM Group may be required to record credit value adjustments, funding value adjustments and debit value adjustments on its derivative portfolio (collectively known as “XVA”), which could have a material adverse effect on the LBCM Group’s results of operations, financial condition or prospects

The LBCM Group continually seeks to limit and manage counterparty credit risk exposure to clients and market counterparties. Credit value adjustment (“CVA”) and funding value adjustment (“FVA”) reserves are held against uncollateralised derivative exposures and a risk management framework is in place to mitigate reserve value changes. CVA is an expected loss calculation that incorporates current market factors including counterparty credit spreads. FVA reserves are held to capitalise the cost of funding uncollateralised derivative exposures. The LBCM Group also calculates a debit value adjustment (“DVA”) to reflect own credit spread risk as part of the fair value of derivative liabilities.

Deterioration in the creditworthiness of financial counterparties, or large adverse financial market movements, could impact the size of XVA reserves and result in a material charge to the LBCM Group’s profit and loss account which could have a material adverse effect on the LBCM Group’s results of operations, financial condition or prospects.

Regulatory and Legal Risks

1. The LBCM Group and its businesses are subject to substantial regulation and oversight. Adverse legal or regulatory developments could have a material adverse effect on the LBCM Group’s business, results of operations, financial condition or prospects

The LBCM Group and its businesses are subject to legislation, regulation, court proceedings, policies and voluntary codes of practice in the UK, the EU and the other markets in which the LBCM Group operates which are impacted by factors beyond the LBCM Group’s control, including:

- (i) general changes in government, central bank or regulatory policy, or changes in regulatory regimes that may influence investor decisions in particular markets in which the LBCM Group operates, and which may change the structure of those markets and the products offered or may increase the costs of doing business in those markets;
- (ii) external bodies applying or interpreting standards, laws, regulations or contracts differently to the LBCM Group;

- (iii) an uncertain and rapidly evolving prudential regulatory environment which could materially adversely affect the LBCM Group’s ability to maintain liquidity and increase its funding costs;
- (iv) changes in competitive and pricing environments, including markets investigations, or one or more of the LBCM Group’s regulators intervening to mandate the pricing of the LBCM Group’s products, as a consumer protection measure;
- (v) one or more of the LBCM Group’s regulators intervening to prevent or delay the launch of a product or service, or prohibiting an existing product or service;
- (vi) further requirements relating to financial reporting, corporate governance, corporate structure and conduct of business and employee compensation;
- (vii) expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership;
- (viii) changes to regulation and legislation relating to economic and trading sanctions, money laundering and terrorist financing;
- (ix) developments in the international or national legal environment resulting in regulation, legislation and/ or litigation targeting entities such as the Issuer for investing in, or lending to, organisations deemed to be responsible for, or contributing to, climate change; and
- (x) regulatory changes which influence business strategy, particularly the rate of growth of the business, or which impose conditions on the sales and servicing of products, which have the effect of making such products unprofitable or unattractive to sell.

These laws and regulations include (i) increased regulatory oversight, particularly in respect of conduct issues; (ii) prudential regulatory developments, including the Capital Requirements Directive IV and the Capital Requirements Regulation (together, “**CRD IV**”); and ring-fencing; and (iii) increased legislative requirements, such as the Banking Reform Act, the Second Payment Services Directive (“**PSD2**”) and the General Data Protection Regulation (“**GDPR**”), a revised directive Markets in Financial Instruments Directive (“**MIFID II**”), which is made up of MiFID (2014/65/EU) and the Markets in Financial Instruments Regulation (“**MIFIR 600/2014/EU**”), and the Deposit Guarantee Schemes Directive 2014/49/EU (the “recast **DGSD**”) and the Volcker rule. The LBCM Group is also subject to recently published enhancements to the financial crime regime in Guernsey, in relation to business undertaken in Guernsey.

Furthermore, the Lloyds Banking Group implemented its ring-fencing programme and met the legal and regulatory requirements prior to 1 January 2019. Implementation included the establishment of the LBCM Group (as the non-ring-fenced bank group). Following the creation of the LBCM Group as a result of ring-fencing implementation, scrutiny regarding the integrity of the ring-fence is expected. Any negative outcomes are likely to also impact the LBCM Group.

Unfavourable developments across any of these areas as a result of the factors above could materially affect the LBCM Group’s ability to maintain appropriate liquidity, increase its funding costs, constrain the operation of its business and/or have a material adverse effect on the LBCM Group’s business, results of operations and financial condition.

2. The LBCM Group faces risks associated with its compliance with a wide range of laws and regulations

The LBCM Group is exposed to risk associated with compliance with laws and regulations, including:

- (i) certain aspects of the LBCM Group’s activities and business may be determined by the relevant authorities, the Financial Ombudsman Service (the “**FOS**”), or other Ombudsmans or the courts,

to have not been conducted in accordance with applicable laws or regulations, or, with what is fair and reasonable in the Ombudsman's opinion;

- (ii) the possibility of alleged mis-selling of financial products or the mishandling of complaints related to the sale of such products by or attributed to a member of the LBCM Group, resulting in disciplinary action or requirements to amend sales processes, withdraw products, or provide restitution to affected customers, all of which may require additional provisions;
- (iii) risks relating to compliance with, or enforcement actions in respect of, existing and/or new regulatory or reporting requirements, including as a result of a change in focus of regulation or a transfer of responsibility for regulating certain aspects of the LBCM Group's activities and business to other regulatory bodies;
- (iv) contractual and other obligations may either not be enforceable as intended or may be enforced against the LBCM Group in an adverse way;
- (v) the intellectual property of the LBCM Group (such as trade names) may not be adequately protected;
- (vi) the LBCM Group may be liable for damages to third-parties harmed by the conduct of its business; and
- (vii) the risk of regulatory proceedings, enforcement actions and/or private litigation, arising out of regulatory investigations or otherwise (brought by individuals or groups of plaintiffs) in the UK and other jurisdictions.

Regulatory and legal actions pose a number of risks to the LBCM Group, including substantial monetary damages or fines, the amounts of which are difficult to predict. In addition, the LBCM Group may be subject, including as a result of regulatory actions, to other penalties and injunctive relief, civil or private litigation arising out of a regulatory investigation or otherwise, the potential for criminal prosecution in certain circumstances and regulatory restrictions on the LBCM Group's business, all of which can have a negative effect on the LBCM Group's reputation as well as taking a significant amount of management time and resources away from the implementation of the LBCM Group's strategy.

The LBCM Group may settle litigation or regulatory proceedings prior to a final judgement or determination of liability to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when the LBCM Group believes that it has no liability or when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, the LBCM Group may, for similar reasons, reimburse counterparties or customers for their losses even in situations where the LBCM Group does not believe that it is legally compelled to do so. Failure to manage these risks adequately could materially affect the LBCM Group, both financially and reputationally.

3. The LBCM Group must comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations, and a failure to prevent or detect any illegal or improper activities fully or on a timely basis could negatively impact customers and expose the LBCM Group to liability

The LBCM Group is required to comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-bribery and other laws and regulations in the jurisdictions in which it operates. These extensive laws and regulations require the LBCM Group, amongst other things, to adopt and enforce "know-your-customer" policies and procedures and to report suspicions of money laundering and terrorist financing, and in some countries specific transactions to the applicable regulatory authorities. These laws and regulations have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel, and have become the subject of enhanced government and regulatory supervision.

The LBCM Group has adopted policies and procedures aimed at detecting and preventing the use of its banking network and services for money laundering, financing terrorism, bribery, tax evasion, human trafficking, modern day slavery, wildlife trafficking and related activities. These controls, however, may not eliminate instances where third parties seek to use the LBCM Group's products and services to engage in illegal or improper activities. In addition, while the LBCM Group reviews its relevant counterparties' internal policies and procedures with respect to such matters, the LBCM Group, to a large degree, relies upon its relevant counterparties to maintain and properly apply their own appropriate anti-money laundering procedures. Such measures, procedures and compliance may have limitations in preventing third parties or its customers from using the LBCM Group (and its relevant counterparties) as a conduit for money laundering and terrorist financing (including illegal cash operations) without the LBCM Group's (and its relevant counterparties') knowledge. If the LBCM Group is associated with, or even accused of being associated with, or becomes a party to, money laundering or terrorist financing, the LBCM Group's reputation could suffer and it could become subject to fines, sanctions and/or legal enforcement (including being added to any "black lists" that would prohibit certain parties from engaging in transactions with the LBCM Group), any one of which could have a material adverse effect on the LBCM Group's results of operations, financial condition and prospects.

Furthermore, failure to comply with trade and economic sanctions, both primary and secondary (which are frequently subject to change by relevant governments), administered by agencies in the jurisdictions in which the LBCM Group operates, may result in the imposition of fines and other penalties on the LBCM Group, including the revocation of licences.

4. Lloyds Banking Group and its subsidiaries are subject to resolution planning requirements, which could have an adverse impact on the LBCM Group's business

The Bank of England and the PRA have published final rules for a resolvability assessment framework (the "**Resolvability Assessment Framework**"), with full implementation of the framework required by 2022. This will require the LBCM Group to carry out a detailed assessment of its preparations for resolution. The new rules on the Resolvability Assessment Framework may affect the way in which the LBCM Group manages its business and ultimately impact the profitability of the LBCM Group. Further, the publication of the outcome of such assessment may affect the way the LBCM Group is perceived by the market which, in turn, may affect the secondary market value of the LBCM Group's securities.

5. Lloyds Banking Group and its subsidiaries, including the LBCM Group, is subject to regulatory actions which may be taken in the event of a bank or parent group failure

Under the Banking Act 2009, as amended, (the "**Banking Act**"), substantial powers have been granted to HM Treasury, the Bank of England and the PRA and FCA (together, the "**Authorities**") as part of the special resolution regime (the "**SRR**"). These powers enable the Authorities to deal with and stabilise UK-incorporated institutions with permission to accept deposits (including the Issuer and members of the LBCM Group) if they are failing or are likely to fail to satisfy certain threshold conditions.

The SRR consists of five stabilisation options: (i) transfer of all or part of the business of the relevant entity or the shares of the relevant entity to a private sector purchaser; (ii) transfer of all or part of the business of the relevant entity to a "bridge bank" established and wholly owned by the Bank of England; (iii) transfer all or part of the relevant entity or "bridge bank" to an asset management vehicle; (iv) making and use of one or more resolution instruments by the Bank of England; and (v) temporary public ownership of the relevant entity. HM Treasury may also take a parent company of a relevant entity into temporary public ownership where certain conditions are met. Certain ancillary powers include the power to modify contractual arrangements in certain circumstances.

The powers granted to resolution authorities under the EU Directive 2014/59/EU establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms (as amended, the "**BRRD**"), include, but are not limited to: (i) a "write-down and conversion power" relating to Tier 1 and Tier

2 capital instruments and (ii) a “bail-in” power relating to the majority of unsecured liabilities (including the Notes). While Lloyds Banking Group plc is currently the resolution entity for the Lloyds Banking Group pursuant to the Bank of England’s “single point of entry” resolution model, bail-in is capable of being applied to all of the Issuer’s senior unsecured debt securities, including the Notes, with a remaining maturity of greater than seven days. Such loss absorption powers give resolution authorities the ability to write-down or write-off all or a portion of the claims of certain unsecured creditors of a failing institution or group and/or to convert certain debt claims into another security, including ordinary shares of the surviving group entity, if any. Such resulting ordinary shares may be subject to severe dilution, transfer for no consideration, write-down or write-off. Generally, losses are to be taken in accordance with the priority of claims under normal insolvency proceedings. The Banking Act and secondary legislation made thereunder provides certain limited safeguards for creditors in specific circumstances. For example, a holder of senior debt securities issued by the Issuer (such as the Notes) should not suffer a worse outcome than it would in insolvency proceedings.

Resolution authorities also have powers to amend the terms of contracts (for example, varying the maturity of a debt instrument) and to override events of default or termination rights that might be invoked as a result of the exercise of the resolution powers, which could have a material adverse effect on the rights of holders of the debt securities issued by the Issuer, including through a material adverse effect on the price of such securities. The Banking Act also gives the Bank of England the power to override, vary or impose contractual obligations between a UK bank, its holding company and its group undertakings for reasonable consideration, in order to enable any transferee or successor bank to operate effectively. There is also power for HM Treasury to amend the law (excluding provisions made by or under the Banking Act) for the purpose of enabling it to use the regime powers effectively, potentially with retrospective effect.

The determination that securities and other obligations issued by the Issuer will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the LBCM Group’s control. This determination will also be made by the relevant UK resolution authority and there may be many factors, including factors not directly related to the LBCM Group, which could result in such a determination. Because of this inherent uncertainty and given that both BRRD and the relevant provisions of the Banking Act remain untested in practice, it will be difficult to predict when, if at all, the exercise of a loss absorption power may occur which would result in a principal write-off or conversion into other securities, including the ordinary shares of the Issuer or a parent entity. Moreover, as the criteria that the relevant UK resolution authority will be obliged to consider in exercising any loss absorption power provide it with considerable discretion, holders of the securities issued by the Issuer may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the LBCM Group and securities issued by the Issuer.

Potential investors in the securities issued by the Issuer should consider the risk that a holder may lose some or all of its investment, including (in the case of debt securities) the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon or if that debt instrument may be converted into ordinary shares of the Lloyds Banking Group or the Issuer. The BRRD and applicable state aid rules provide that, other than in certain limited circumstances set out in the BRRD, extraordinary governmental financial support will only be available to the Issuer as a last resort once the write-down and conversion powers and resolution tools referred to above have been exploited to the maximum extent possible. Accordingly, it is unlikely that investors in securities issued by the Issuer will benefit from such support even if it were provided.

Holders of the LBCM Group’s securities may have limited rights or no rights to challenge any decision of the relevant UK resolution authority to exercise the UK resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Accordingly, trading behaviour in respect of such securities is not necessarily expected to follow the trading behaviour associated with other types of securities that are not subject to such recovery and resolution powers. Further, the introduction or amendment of such recovery and

resolution powers, and/or any implication or anticipation that they may be used, may have a significant adverse effect on the market price of such securities, even if such powers are not used.

The minimum requirement for own funds and eligible liabilities (“**MREL**”) applies to EU and UK financial institutions and covers own funds and debt instruments that are capable of being written-down or converted to equity in order to prevent a financial institution or its group from failing in a crisis. The Bank of England has set a final MREL conformance date of 1 January 2022 with interim compliance required from 1 January 2020. LBCM has been identified as a material subsidiary of LBG and must therefore maintain internal MREL resources from 1 January 2020 at minimum requirements calculated on an individual basis.

In addition, the LBCM Group’s costs of doing business may increase by amendments made to the Banking Act in relation to deposits covered by the UK Financial Services Compensation Scheme (the “**FSCS**”). The Lloyds Banking Group contributes to compensation schemes such as the FSCS in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers. Further provisions in respect of these costs are likely to be necessary in the future. The ultimate cost to the industry, which will also include the cost of any compensation payments made by the FSCS and, if necessary, the cost of meeting any shortfall after recoveries on the borrowings entered into by the FSCS, remains uncertain but may be significant and may have a material effect on the LBCM Group’s business, results of operations or financial condition.

6. The LBCM Group is exposed to regulatory and litigation risks related to the uncertainty surrounding the integrity, continued existence and transition in reference rates

Reference rates and indices, including interest rate benchmarks, such as the London Interbank Offered Rate (“**LIBOR**”) and the Euro Interbank Offered Rate (“**EURIBOR**”), which are 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 existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued.

At this time, it is not possible to predict the overall effect (including financial impacts) of any such reforms and changes, any establishment of alternative reference rates or any other reforms to these reference rates that may be enacted, including the potential or actual discontinuance of LIBOR publication, any transition away from LIBOR or ongoing reliance on LIBOR for some legacy products.

Uncertainty as to the nature of such potential changes, alternative reference rates (including, without limitation, SONIA, €STER and SOFR or term versions of those rates) or other reforms may adversely affect a broad array of financial products, including any LIBOR-based or EURIBOR-based securities, loans and derivatives that are included in the LBCM Group’s financial assets and liabilities, that use these reference rates and may impact the availability and cost of hedging instruments and borrowings. If any of these reference rates are no longer available, the LBCM Group may incur additional expenses in effecting the transition from such reference rates, and may be subject to disputes, which could have an adverse effect on the LBCM Group’s results of operations. In addition, it can have important operational impacts through the LBCM Group’s systems and infrastructure as systems will need to account for the changes in the reference rates. Any of these factors may have a material adverse effect on the LBCM Group’s results of operations, financial condition or prospects.

7. Legal and regulatory risk arising from the UK’s exit from the European Union could adversely impact the LBCM Group’s business, results of operations, financial condition and prospects

Following the UK’s exit from the EU, there remains significant uncertainty around the terms of their future trade agreement. This uncertainty may be exacerbated by the possible re-emergence of a further Scottish independence referendum and / or differential arrangements for Northern Ireland relative to the rest of the UK.

The LBCM Group is subject to substantial EU-derived laws, regulation and oversight which will be impacted as a result of the UK's exit from the EU. In particular, after the transition period, the LBCM Group and its counterparties may no longer be able to rely on the European passporting framework for financial services. This could result in the loss of customers and / or the requirement for the LBCM Group to apply for authorisation in further EU jurisdictions where it is to continue business, with associated costs, timing and operational considerations. Any actions taken as a result of the ongoing uncertainty, as well as new or amended legislation and regulation, may have a significant impact on the LBCM Group's operations, profitability and business model.

8. Failure to manage the risks associated with changes in taxation rates or applicable tax laws, or misinterpretation of such tax laws, could materially adversely affect the LBCM Group's results of operations, financial condition or prospects

Tax risk is the risk associated with changes in taxation rates, applicable tax laws, misinterpretation of such tax laws, disputes with relevant tax authorities in relation to historical transactions, or conducting a challenge to a relevant tax authority. Failure to manage this risk adequately could cause the LBCM Group to suffer losses due to additional tax charges and other financial costs including penalties. Such failure could lead to adverse publicity, reputational damage and potentially costs materially exceeding current provisions, in each case to an extent which could have an adverse effect on the LBCM Group's results of operations, financial condition or prospects.

Business and Operational Risks

1. The LBCM Group's business is subject to risks related to cybercrime

The LBCM Group holds personally identifiable information on its systems aligned to products and services delivered to customers. Protection is delivered in accordance with data protection legislation, including GDPR. The LBCM Group relies on the effectiveness of the Lloyds Banking Group Information and Cyber Security Policy and associated procedures, infrastructure and capabilities to protect the confidentiality and integrity of information held on its IT infrastructure and the infrastructure of third parties on whom the LBCM Group relies. See *"The LBCM Group could fail to manage and govern the provision of internal services which could negatively impact on operations and customers and could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects."*

In certain international locations, there are additional regulatory requirements that must be followed for business conducted in that jurisdiction. In the U.S., for example, the Lloyds Banking Group was required from February 2018 to formally attest annually that it complies with specific cyber security requirements put forth by the New York State Department of Financial Services in Part 500 of Title 23 of the Official Compilation of Codes, Rules and Regulations of the State of New York. The attestation was completed for 2019.

The LBCM Group's IT infrastructure, and that of third parties on whom the LBCM Group relies, may be vulnerable to cyber-attacks, malware, denial of services, unauthorised access and other events that have a security impact. Such an event may impact the confidentiality or integrity of the LBCM Group's or its clients', employees' or counterparties' information or the availability of services to customers. As a result of such an event or a failure in the Lloyds Banking Group's cyber security policies adopted by the LBCM Group, the LBCM Group could experience material financial loss, loss of competitive position, regulatory actions, breach of client contracts, reputational harm or legal liability, which, in turn, could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects. The LBCM Group may be required to spend additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures, and it may be subject to litigation and financial losses that are either not insured against fully or not fully covered through any insurance that it maintains. The LBCM Group is committed to continued participation in industry-wide activity relating to cyber risk. This includes working with relevant regulatory and

government departments to evaluate the approach the LBCM Group is taking to mitigate this risk and sharing relevant information across the financial services sector.

2. The LBCM Group could fail to manage and govern the provision of internal services which could negatively impact on operations and customers and could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects

The Lloyds Banking Group's chosen ring-fencing operating model introduces risk for the LBCM Group due to the reliance by the LBCM Group on the execution of a Shared Services Model as a service recipient (being a business unit/entity in receipt of services from the ring-fenced bank or other members of the Lloyds Banking Group). The LBCM Group is supported by the Lloyds Banking Group via key people resources and services delivered through the Shared Services Model whereby the services provided to the LBCM Group by members of the Lloyds Banking Group are managed by an intra-group agreement and key people resources provided under the model are managed by a people services agreement. The Shared Services Model is predicated on and built around core principles, which allow the LBCM Group and Lloyds Bank and its subsidiary and associated undertakings to operate their respective businesses and comply with their obligations as two distinct regulated banking groups, but utilise certain shared resources including people, systems and processes. Risks, which may be amplified by the Shared Services Model include business process risk, information security and cyber risk, IT systems risk and risks relating to operational resilience, change and execution and sourcing. Shortcomings in the Shared Services Model could result in adverse customer experience/outcomes, regulatory censure, fines and/or adverse publicity for the LBCM Group which, in turn, may have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects.

3. Operational risks such as weaknesses or failures in the LBCM Group's processes, systems and security and risks due to reliance on third party services and products could materially adversely affect the LBCM Group's operations, results of operations, financial condition, prospects, or reputation

Operational risks, through inadequate or failed processes, systems (including financial reporting and risk monitoring processes) or security, or from people-related or external events, including the risk of fraud and other criminal acts carried out against the LBCM Group, are present in the LBCM Group's businesses. These risks have been exacerbated by the COVID-19 pandemic, within LBCM, its clients and its suppliers and could be compounded further by operational complexity arising from the adoption of any unconventional policy tools such as negative interest rates (see "*Economic and Financial Risks - Risks relating to the impact of COVID-19*"). The LBCM Group's businesses are dependent on processing and reporting accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. Any weakness or errors in these processes, systems or security could have an adverse effect on the LBCM Group's results, reporting of such results, and on the ability to deliver appropriate customer outcomes during the affected period which may lead to an increase in complaints and damage to the reputation of the LBCM Group. See "*The LBCM Group could fail to manage and govern the provision of internal services which could negatively impact on operations and customers and could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects.*"

Specifically, failure to develop, deliver or maintain effective IT solutions in line with the LBCM Group's operating environment could have a material adverse impact on customer service and business operations. Any prolonged loss of service availability could damage the LBCM Group's ability to service its customers, could result in compensation costs and could cause long-term damage to the LBCM Group's business and brand. See "*The LBCM Group's business is subject to risks related to cybercrime*".

Third parties upon which the LBCM Group relies for important products and services could also be sources of operational risk, specifically with regard to security breaches affecting such parties. Many of the operational risks described above also apply when the LBCM Group relies on outside suppliers or vendors to

provide key components of its business infrastructure. The LBCM Group may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs. Additionally, any problems caused by these third parties, including as a result of their not providing the LBCM Group their services for any reason, their performing their services poorly, or employee misconduct, could adversely affect the LBCM Group's ability to deliver products and services to customers and otherwise to conduct business. Replacing these third party vendors or moving critical services from one provider to another could also entail significant delays and expense.

The LBCM Group is also exposed to risk of fraud and other criminal activities (both internal and external) due to the operational risks inherent in banking operations. These risks are also present when we the LBCM Group rely on outside suppliers or vendors to provide services to us the LBCM Group and its customers. Fraudsters may target any of LBCM Group products, services and delivery channels, including lending, internet banking, payments, bank accounts and cards. This may result in financial loss to the LBCM Group and/or its customers, poor customer experience, reputational damage, potential litigation and regulatory proceedings. Industry reported gross fraud losses have continued to increase as both financial institutions and their customers are targeted. Fraud losses and their impacts on customers and the wider society are now an increasing priority for consumer groups, regulators and the UK Government. Any weakness or errors in the LBCM Group's processes, systems or security could have an adverse effect on the LBCM Group's results and on the ability to deliver appropriate customer responses, which may lead to an increase in complaints and damage to the Group's reputation. See *“Regulatory and Legal Risks - The LBCM Group must comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations, and a failure to prevent or detect any illegal or improper activities fully or on a timely basis could negatively impact customers and expose the LBCM Group to liability”*.

4. The LBCM Group may fail to execute its ongoing strategic change initiatives, and the expected benefits of such initiatives may not be achieved on time or to the extent expected, or as planned

In order to maintain and enhance the LBCM Group's strategic position, it continues to invest in new initiatives and programmes. The LBCM Group acknowledges the challenges faced with delivering these initiatives and programmes alongside the extensive agenda of regulatory and legal changes whilst safely operating existing and safely operating systems and controls.

As the LBCM Group continues to deliver this strategy there is considerable focus on digitisation and ensuring the LBCM Group meets customer demands through digital and mobile platforms.

The successful completion of these programmes and the LBCM Group's other strategic initiatives requires ongoing subjective and complex judgements, including forecasts of economic conditions in various parts of the world, and can be subject to significant risks. For example, the LBCM Group's ability to execute its strategic initiatives successfully may be adversely impacted by a significant global macroeconomic downturn, legacy issues, limitations in the LBCM Group's management or operational capacity and capability or significant and unexpected regulatory change in countries in which the LBCM Group operates.

Failure to execute the LBCM Group's strategic initiatives successfully could have an adverse effect on the LBCM Group's ability to achieve the stated targets and other expected benefits of these initiatives, and there is also a risk that the costs associated with implementing such initiatives may be higher than expected or benefits may be lesser than expected. Both of these factors could materially adversely impact the LBCM Group's results of operations, financial condition or prospects.

5. The LBCM Group's financial statements are based, in part, on assumptions and estimates

The preparation of the LBCM Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated

and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The consolidated financial statements are prepared using judgements, estimates and assumptions based on information available at the reporting date. If one or more of these judgements, estimates and assumptions is subsequently revised as a result of new factors or circumstances emerging, there could be a material adverse effect on the LBCM Group's results of operations, financial condition or prospects and a corresponding impact on its funding requirements and capital ratios.

6. The LBCM Group is exposed to conduct risk, in relation to client conduct, market conduct and competition

The LBCM Group is exposed to various forms of conduct risk in its operations. Conduct risk is the risk of customer detriment across the customer lifecycle, including: failures in product management, distribution and servicing activities or other activities which could undermine the integrity of the market or distort competition, leading to unfair customer outcomes, regulatory censure or financial or reputational loss. Such risks are inherent in banking services.

Forms of conduct risk include business and strategic planning that does not sufficiently consider customer need (leading to products being offered beyond target markets and mis-selling of financial products), ineffective management and monitoring of products and their distribution (which could result in customers receiving unfair outcomes), customer communications that are unclear, unfair, misleading or untimely (which could impact customer decision-making and result in customers receiving unfair outcomes), a culture that is not sufficiently customer-centric (potentially driving improper decision-making and unfair outcomes for customers), outsourcing of customer service and product delivery via third-parties that do not have the same level of control, oversight and customer-centric culture as the LBCM Group (which could result in potentially unfair or inconsistent customer outcomes), the possibility of alleged mis-selling of financial products (which could require amendments to sales processes, withdrawal of products or the provision of restitution to affected customers, all of which may require additional provisions in the LBCM Group's financial accounts), ineffective management of customer complaints or claims (which could result in customers receiving unfair outcomes), ineffective processes, policies or procedures to support customers, including those in potentially vulnerable circumstances (which could result in customers receiving unfair outcomes or treatments which do not support their needs), and poor governance of colleagues' incentives and rewards and approval of schemes which drive unfair customer outcomes.

Ineffective management and oversight of legacy conduct issues can also result in customers who are undergoing remediation being unfairly treated and therefore further rectification being required.

The LBCM Group is also exposed to the risk of engaging in, or failing to manage, conduct which could constitute market abuse, undermine the integrity of a market in which it is active, distort competition or create conflicts of interest.

The business environment can be, and is, influenced by intervention by the UK Government competition authorities and/or European regulatory bodies and/or governments of other countries in which the LBCM Group operates, including in response to any perceived lack of competition within these markets. This may significantly impact the competitive position of the LBCM Group relative to its international competitors, which may be subject to different forms of government intervention.

Recent political debate on the reform of the UK banking markets, other current or potential competition reviews and reports, the payment systems regulator and the FCA statutory objective to promote competition, along with concurrent competition powers, may lead to proposals or initiatives to reduce regulators' competition concerns, and for greater UK Government and regulatory scrutiny in the future that may impact the LBCM

Group further. For more information on the LBCM Group's regulatory environment, see "*Lloyds Bank Corporate Markets plc – Regulation—Other Bodies Impacting the Regulatory Regime*".

Each of these risks can lead to regulatory censure, reputational damage, regulatory intervention/enforcement, the imposition of lengthy remedial redress programmes and financial penalties or other loss for the LBCM Group, all of which could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects.

7. The LBCM Group's businesses are conducted in competitive environments and the LBCM Group's financial performance depends upon management's ability to respond effectively to competitive pressures

The markets for UK financial services, and the other markets within which the LBCM Group operates, are competitive, and management expects such competition to continue or intensify. This expectation is due to competitor behaviour, new entrants to the market (including a number of new retail banks as well as non-traditional financial services providers), consumer demand, technological changes such as the growth of digital banking, and the impact of regulatory actions and other factors. The LBCM Group's financial performance and its ability to maintain existing or capture additional market share depends significantly upon the competitive environment and management's response thereto.

Digital technologies are changing customer and clients' behaviours and the competitive environment. These technological changes have impacted the LBCM Group's business model and the pace of this change will likely continue to accelerate. As part of the Lloyds Banking Group strategy, investments in foreign exchange market technologies have increased. The LBCM Group is expecting to see an increased prevalence of associated technology-related risks and faces competition from established providers of financial services as well as from banking business developed by non-financial companies, including technology companies with strong brand recognition.

As a result of any restructuring or evolution in the market, there may emerge one or more new viable competitors in the UK banking market or a material strengthening of one or more of the LBCM Group's existing competitors in that market. Any of these factors or a combination thereof could result in a significant reduction in the profit of the LBCM Group.

8. The LBCM Group could fail to attract or retain senior management, or other key employees

The LBCM Group's success depends on its ability to attract, retain and develop high calibre talent. If the LBCM Group was to unexpectedly lose a member of its key management or fail to maintain one of the strategic relationships of the LBCM Group's key management team, its business and results of operations could be materially adversely affected.

In addition, the LBCM Group also relies upon the services of other third-party providers for certain services and it may exercise limited control over the activities and business practices of these providers and any inability on the LBCM Group's part to maintain satisfactory commercial relationships with them or their failure to provide quality services could adversely affect the LBCM Group's business.

Attracting additional and retaining existing skilled personnel is fundamental to the continued growth of the LBCM Group's business. Personnel costs, including salaries, are increasing as the standard of living increases in the countries in which the LBCM Group does business and as industry-wide demand for suitably qualified personnel increases. No assurance can be given that the LBCM Group will successfully attract new personnel or retain existing personnel required to continue to expand the LBCM Group's business and to successfully execute and implement the LBCM Group's business strategy. In addition, the uncertainty resulting from the UK's exit from the EU, on foreign nationals' long-term residency permissions in the UK may make it challenging for the LBCM Group to retain and recruit colleagues with relevant skills and experience.

Failure to attract and retain senior management, and key employees could have a material adverse effect on the LBCM Group's results of operations, financial condition or prospects.

9. The LBCM Group could be exposed to industrial action and increased labour costs resulting from a lack of agreement with trade unions

Within the LBCM Group, there are currently two recognised unions for the purposes of collective bargaining. Combined, these collective bargaining arrangements apply to 100 per cent. of the UK and Channel Islands LBCM workforce. Other international branches are not covered by these arrangements.

Where the LBCM Group or its employees or their unions seek to change any of their contractual terms, a consultation and negotiation process is undertaken. Such a process could potentially lead to increased labour costs or, in the event that any such negotiations were to be unsuccessful and result in formal industrial action, the LBCM Group could experience a work stoppage that could materially adversely impact its business, financial condition and results of operations.

10. The LBCM Group may be unable to fully capture the expected value from acquisitions, which could materially and adversely affect the LBCM Group's results of operations, financial condition or prospects

The LBCM Group may from time to time undertake acquisitions as part of its growth strategy, which could subject the LBCM Group to a number of risks, such as: (i) the rationale and assumptions underlying the business plans supporting the valuation of a target business may prove inaccurate, in particular with respect to synergies and expected commercial demand; (ii) the LBCM Group may fail to successfully integrate any acquired business, including its technologies, products and personnel; (iii) the LBCM Group may fail to retain key employees, customers and suppliers of any acquired business; (iv) the LBCM Group may be required or wish to terminate pre-existing contractual relationships, which could prove costly and/or be executed at unfavourable terms and conditions; (v) the LBCM Group may fail to discover certain contingent or undisclosed liabilities in businesses that it acquires, or its due diligence to discover any such liabilities may be inadequate; and (vi) it may be necessary to obtain regulatory and other approvals in connection with certain acquisitions and there can be no assurance that such approvals will be obtained and even if granted, that there will be no burdensome conditions attached to such approvals, all of which could materially and adversely affect the LBCM Group's results of operations, financial conditions or prospects.

Emerging Risks

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

The risks associated with climate change are coming under an increasing focus, both in the UK and internationally, from governments, regulators and large sections of society. These risks include: physical risks, arising from climate and weather-related events of increasing severity and/or frequency; transition risks resulting from the process of adjustment towards a lower carbon economy (including stranded, redundant or prohibited assets); and liability risks arising from the Group or clients experiencing litigation or reputational damage as a result of sustainability issues.

Physical risks from climate change arise from a number of factors and relate to specific weather events and longer term shifts in the climate. The nature and timing of extreme weather events are uncertain but they are increasing in frequency and their impact on the economy is predicted to be more acute in the future. The potential impact on the economy includes, but is not limited to, lower GDP growth, higher unemployment and significant changes in asset prices and profitability of industries. The physical risks could also lead to the disruption of business activity at client's locations. In addition, the LBCM Group's premises and resilience may also suffer physical damage due to weather events leading to increased costs for the LBCM Group.

The move towards a low-carbon economy will also create transition risks, due to potential significant and rapid developments in the expectations of policymakers, regulators and society resulting in policy,

regulatory and technological changes which could impact the LBCM Group. These risks may cause the impairment of asset values, impact the creditworthiness of clients of the LBCM Group, which could result in currently profitable business deteriorating over the term of agreed facilities.

In January 2020, LBCM Group through the Lloyds Banking Group announced an ambitious goal to work with customers, government and the market to help reduce the emissions the Lloyds Banking Group finances by more than 50 percent by 2030. Achieving this goal will require, among other things: customers to change their behaviours; governments to introduce new policies, incentives and to invest in infrastructure; new market developments; and technological advancements. If these changes, most of which are out of the LBCM Group's control, do not occur, the LBCM Group may have difficulty achieving its targets. Furthermore, in order to reach its targets, the LBCM Group will need to further develop sustainable finance products and may be required to alter its business model.

If the LBCM Group does not adequately embed the risks associated with climate change identified into its risk framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, this could have an adverse impact on the LBCM Group's results of operations, financial condition and prospects.

Risks related to the structure of a particular issue of Notes

1. Noteholders' claims against the Issuer rank junior to certain other creditors

If the Issuer enters into an insolvent winding-up procedure, the administrator, liquidator or other insolvency practitioner would be expected to make distributions of the Issuer's residual assets to its creditors in accordance with a statutory hierarchy or "order of priority". The same statutory hierarchy would be expected to apply if the Notes were written down or converted prior to or in resolution pursuant to the powers of the Authorities under the SRR.

2. Remedies for Non-Payment

The Notes do not provide for acceleration following non-payment of interest other than in a winding-up of the Issuer.

3. Noteholders may be required to absorb losses in the event the Issuer becomes subject to recovery and resolution action

See "*Regulatory and Legal Risks – Lloyds Banking Group and its subsidiaries, including the LBCM Group, is subject to regulatory actions which may be taken in the event of a bank or parent group failure*" above.

4. Notes are obligations of the Issuer only

The Notes are obligations of the Issuer only and are not guaranteed by any other entity and accordingly the Noteholders have recourse in respect thereof only to the Issuer.

5. Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, or during any period in which there is an actual or perceived increase in the likelihood that the Issuer may elect to redeem the Notes in the future, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may 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 those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate 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.

6. Redemption for Taxation Reasons

On the occurrence of a Tax Event (as defined in Condition 5(c)), the Issuer may, at its option (but subject to certain conditions) redeem all, but not some only, of any relevant Series of Notes at the applicable Early Redemption Amount together with any accrued but unpaid interest up to (but excluding) the date fixed for redemption.

7. Redemption

If the applicable Final Terms or Pricing Supplement for Notes of any Series specify that the Issuer has an option to redeem such Notes, the Issuer may opt to redeem all, or (if specified in the applicable Final Terms or Pricing Supplement) some only, of such Notes at the price set out in the applicable Final Terms or Pricing Supplement together with any outstanding interest.

If the Notes are to be so redeemed or there is a perception that the Notes may be so redeemed, this may impact the market price of the Notes. In addition, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Notes.

8. Potential Conflicts of Interest

Where the Issuer acts as the Calculation Agent, or the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable upon redemption of the Notes.

9. Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

10. Floating Rate Notes and Fixed Rate Reset Notes referencing or linked to benchmarks

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 existing benchmarks, with further changes anticipated. These reforms and changes may cause a benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such benchmark, including possible adverse tax consequences for certain Noteholders.

Any of the reforms, or the general increase in regulatory scrutiny of benchmarks, could increase the costs and risks of administering or participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuation or unavailability of quotes of certain benchmarks. As an example of such reforms, the FCA has indicated that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. At the end of this period, it is the FCA's intention that it will not

be necessary to sustain LIBOR through its influence or legal powers by persuading, or obliging banks to submit to LIBOR. Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed.

Any changes to the administration of, or the methodology used to obtain, a benchmark or the emergence of alternatives to a benchmark as a result of these reforms, may cause the relevant benchmark to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of a benchmark or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to a benchmark. The development of alternatives to a benchmark may result in Notes linked to or referencing the relevant benchmark performing differently than would otherwise have been the case if such alternatives to such benchmark had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes referencing or linked to a benchmark.

Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

In accordance with the Conditions, Notes which reference any affected benchmark may be subject to the adjustment of the interest provisions in certain circumstances. The circumstances which could trigger such adjustments are beyond the Issuer's control and the subsequent use of a replacement benchmark may result in changes to the Conditions (which could be extensive) and/or interest payments that are lower than or that do not otherwise correlate over time with the payments that could have been made on such Notes if the relevant benchmark remained available in its current form. Although pursuant to the Conditions, spread adjustments may be applied to such replacement benchmark (including with the intention of partially or wholly reducing or eliminating any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. There is no assurance that the characteristics of any replacement benchmark would be similar to the affected benchmark, that any replacement benchmark would produce the economic equivalent of the affected benchmark or would be a suitable replacement for the affected benchmark. The choice of replacement benchmark is uncertain and could result in the use of risk free rates (see *"Risks related to the structure of a particular issue of Notes - The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes"* below) and/or in the replacement benchmark being unavailable or indeterminable. In certain circumstances the ultimate fallback provisions may result in the effective application of a fixed rate of interest to Floating Rate Notes and/or Fixed Rate Reset Notes. Furthermore, if the Issuer determines that it is not able to follow the prescribed steps set out in the Conditions, the relevant fallback provisions may not operate as intended at the relevant time. Any such consequence could have a material adverse effect on the trading markets for such Notes, the liquidity of such Notes and/or the value of and return on any such Notes. The Conditions may require the exercise of discretion by the Issuer or an independent adviser, as the case may be, and the making of potentially subjective judgments (including as to the occurrence or not of any events which may trigger amendments to the Conditions) and/or the amendment of the Conditions without the consent of the Noteholders. The interests of the Issuer or the independent adviser, as applicable, in making such determinations or amendments may be adverse to the interests of the Noteholders. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under Notes linked to a benchmark or could have a material adverse effect on the market value or liquidity of, and the amount payable under such Notes. Investors should consider these matters when making their investment decision with respect to such Notes. Investors should also consult their own independent advisers and make

their own assessment about the potential risks imposed by the possible cessation or reform of certain reference rates.

11. The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes

Interest on Notes which reference a risk free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk free rates to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Notes become due and payable under Condition 9, the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. Investors should also be aware that the market continues to develop in relation to risk free rates, such as the Sterling Overnight Index Average (“**SONIA**”), the Secured Overnight Financing Rates (“**SOFR**”) and the euro short-term rate (“**€STR**”), as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates.

In addition, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, including term SONIA, SOFR and €STR (which seek to measure the market’s forward expectation of an average SONIA, SOFR or €STR over a designated term). The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to Floating Rate Notes that reference a risk free rate issued under this Prospectus. In this respect, the Bank of England released a discussion paper in February 2020 entitled “Supporting Risk-Free Rate transition through the provision of compounded SONIA” pursuant to which the Bank stated its intention to publish a daily SONIA compounded index and its consideration whether to publish a set of compounded SONIA period averages, an approach similar to that already taken by the Federal Reserve Bank of New York in respect of SOFR. This means that a screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this. In addition, the manner of adoption or application of risk free rates in the bond markets may differ materially compared with the application and adoption of risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk free rates. The use of risk free rates as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. Notes referencing risk free rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of the Notes or mean that 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. Investors should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

Risks related to Notes generally.

1. The Notes are not bank deposits and are not insured or guaranteed by the FSCS or any other government agency

The Notes are not bank deposits. In the event of the insolvency of the Issuer, the Notes will not have the benefit of any insurance or guarantee of the FSCS or any other government agency.

2. Modification, waivers and substitution

The Conditions 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 Conditions also provide that the Trustee may, without the consent of the Noteholders, agree to (i) any modification of, or waiver or authorisation of any breach or proposed breach of, any of the Conditions 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 entity as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11 of the Conditions.

In addition, pursuant to Condition 4(j), certain changes may be made to the interest calculation provisions of the Floating Rate Notes or Fixed Rate Reset Notes in the circumstances set out in Condition 4(j), without the requirement for consent of the Trustee or the Noteholders. See *“Floating Rate Notes and Fixed Rate Reset Notes referencing or linked to benchmarks”* above.

3. Change of law

The Conditions are based on English law in effect as at the date of issue of the relevant Notes. 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 issue of the relevant Notes.

4. Notes where denominations involve integral multiples

In the case of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In the case of Bearer Notes, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

5. Potential U.S. Foreign Account Tax Compliance Act withholding and information reporting

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (**“foreign passthru payments”**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**“IGAs”**), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, under proposed U.S. Treasury regulations such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed

with the U.S. Federal Register generally would be “grandfathered” for purposes of a withholding under FATCA unless materially modified after such date. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. However, if additional notes (as described under “*Terms and Conditions of the Notes – Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Information relating to the Notes, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the Notes, amounts paid or credited with respect to the Notes, details of the holders or beneficial owners of the Notes and information and documents in connection with transactions relating to the Notes. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries. Some jurisdictions operate a withholding system in place of, or in addition to, such provision of information requirements.

Risks related to the market generally

1. The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid and may be sensitive to changes in financial markets. 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. This may particularly be the case should the Issuer experience significant financial distress, which may result in any sales of Notes having to be at a substantial discount to their principal amount, or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

2. Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes 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 application 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 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.

3. Interest rate risk

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

4. Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to the 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 the rating agency at any time.

5. Effect of credit rating reduction

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services, such as Moody's, S&P and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the trading value of the Notes.

6. Investors to rely on the procedures of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes or a permanent registered global certificate (each a "**Global Certificate**"). Such Global Notes or Global Certificates may be deposited with a common depositary or a common safekeeper (the "**Common Safekeeper**"), as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes or Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or a common safekeeper, as the case may be, for Euroclear or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interest in the Global Notes or Global Certificates.

Holder of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg to appoint appropriate proxies.

TERMS AND CONDITIONS OF THE NOTES

Neither the Trust Deed constituting the Notes nor the Terms and Conditions of the Notes will contain any negative pledge covenant by the Issuer or any events of default other than those set out in Condition 9 below (which do not include, *inter alia*, a cross default provision).

The following is the text of the Terms and Conditions of the Notes (the “Conditions”) that, as completed in accordance with the provisions of Part A of the relevant Final Terms or, in the case of PR Exempt Notes, the relevant Pricing Supplement, shall be applicable to the Registered Notes and the Bearer Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these Conditions together with the relevant provisions of Part A of the relevant Final Terms or Pricing Supplement (as applicable) or (ii) these Conditions as so completed, shall be endorsed on the Bearer Notes or on the Certificates relating to Registered Notes. The relevant Pricing Supplement in relation to any Tranche of PR Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of the relevant Notes.

All capitalised terms that are not defined in the Conditions will have the meanings given to them in Part A of the relevant Final Terms or Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The issuer of the Notes is Lloyds Bank Corporate Markets plc (the “**Issuer**”). The Notes are constituted by a Trust Deed dated 5 August 2020 (as modified and/or supplemented and/or restated as at the date of issue of the first Tranche of the Notes (the “**Issue Date**”), the “**Trust Deed**”) between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Agency Agreement dated 25 June 2019 (as modified and/or supplemented and/or restated as at the Issue Date, the “**Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, the Trustee, Citibank, N.A., London Branch, as issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall, where the context so permits, include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall, where the context so permits, include the Registrar) and the “**Calculation Agent(s)**”. Copies of the Trust Deed and the Agency Agreement are available for inspection free of charge during usual business hours at the registered office of the Trustee (being, for the time being, Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

For the purpose of these Terms and Conditions of the Notes (the “**Conditions**”), a “**Series**” means a series of Notes comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number. “**Tranche**” means, in relation to a Series, those Notes of that Series that are issued on the same date at the same issue price and in respect of which the first payment of interest is identical. “**Final Terms**” means, in relation to a Tranche, the final terms or pricing supplement issued specifying the relevant issue details

of such Tranche, substantially in the form of Schedule B or Schedule C, respectively to the Programme Agreement dated 5 August 2020 (as modified and/or supplemented and/or restated as at the Issue Date) between the Issuer, the Arranger and the Dealers named therein.

1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) in each case in the Specified Denomination(s) specified in the Final Terms.

Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

The Notes (i) bear interest calculated by reference to a fixed rate of interest (“**Fixed Rate Notes**”), (ii) bear interest calculated by reference to a fixed rate of interest for an initial period and thereafter by reference to a fixed rate of interest recalculated on one or more dates specified in the Final Terms and by reference to a mid-market swap rate for the Specified Currency or, where the Specified Currency is Sterling, either a Sterling mid-market swap rate or a rate determined by reference to a benchmark gilt (“**Fixed Rate Reset Notes**”), (iii) bear interest by reference to a floating rate of interest (“**Floating Rate Notes**”), (iv) are issued on a non-interest bearing basis (“**Zero Coupon Notes**”) or (v) are a combination of two or more of (i) to (iii) of the foregoing, as specified in the Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”).

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in the Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not

be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) *Transfer of Registered Notes*

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and such other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of the Issuer's or a Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to

it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require).

(f) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status

Subject to such exceptions as may be provided by mandatory provisions of applicable law, the Notes and the Coupons relating to them constitute unsecured, unguaranteed and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.

4 Interest and other Calculations

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable, subject as provided herein, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 4.

(b) *Interest on Fixed Rate Reset Notes*

Each Fixed Rate Reset Note bears interest on its outstanding nominal amount:

- (i) from and including the Interest Commencement Date up to but excluding the First Reset Date at the Initial Rate of Interest;
- (ii) in the First Reset Period, at the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, subject as provided herein, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 4.

Save as otherwise provided herein, the provisions applicable to Fixed Rate Notes shall apply to Fixed Rate Reset Notes.

In these Conditions:

“**Anniversary Date(s)**” means each date specified as such in the Final Terms;

“**Benchmark Determination Agent**” means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense or as specified in the Final Terms;

“**Benchmark Gilt**” means, in respect of a Reset Period, such United Kingdom government security having a maturity date on or about the last day of such Reset Period as the Issuer and the Benchmark Determination Agent, with the advice of the Reset Reference Banks, may determine to be appropriate;

“**Benchmark Gilt Rate**” means, in respect of a Reset Period, the gross redemption yield (as calculated by the Benchmark Determination Agent in consultation with the Issuer in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Reset Reference Banks at 3.00 p.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following dealing day in London. If at least four quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be (i) in the case of each Reset Period other than the First Reset Period, the Benchmark Gilt Rate in respect of the immediately preceding Reset Period or (ii) in the case of the First Reset Period, as set out in the Final Terms as the “First Reset Period Fallback”;

“**CMT Designated Maturity**” has the meaning given to it in the relevant Final Terms;

“**CMT Rate**” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate determined by the Calculation Agent, and expressed as a percentage, equal to:

- (i) the yield for United States Treasury Securities at “constant maturity” for the CMT Designated Maturity, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on the CMT Rate Screen Page on such Reset Determination Date; or
- (ii) if the yield referred to in paragraph (i) above is not published by 4:00 p.m. (New York City time) on the CMT Rate Screen Page on such Reset Determination Date, the yield for the United States Treasury Securities at “constant maturity” for the CMT Designated Maturity as published in the H.15(519) under the caption “treasury constant maturities (nominal)” on such Reset Determination Date; or
- (iii) if the yield referred to in paragraph (ii) above is not published by 4:30 p.m. (New York City time) on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date;

“**CMT Rate Screen Page**” has the meaning given to it in the relevant Final Terms or any successor service or such other page as may replace that page on that service for the purpose of displaying “treasury constant maturities” as reported in H.15(519);

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

“**First Reset Date**” means the date specified as such in the Final Terms;

“First Reset Period” means the period from and including the First Reset Date up to but excluding the Second Reset Date or, if no such Second Reset Date is specified in the Final Terms, the date fixed for redemption of the Notes (if any);

“First Reset Rate of Interest” means the rate of interest as determined by the Calculation Agent or the Issuer and the Benchmark Determination Agent (as applicable) on the Reset Determination Date corresponding to the First Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

“H.15(519)” means the weekly statistical release designated as H.15(519), or any successor publication, published by the board of governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication;

“Initial Rate of Interest” means the initial rate of interest per annum specified in the Final Terms;

“Margin” means the margin (expressed as a percentage) in relation to the relevant Reset Period specified as such in the Final Terms;

“Mid-Swap Quotations” means the arithmetic mean of the bid and offered rates:

- (i) if the Specified Currency is Sterling, for a semi-annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in Sterling which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 4(j)) (A) the relevant rate as specified in the Final Terms or (B) if no such rate is specified, the 6-month LIBOR rate (calculated on an Actual/365 day count basis);
- (ii) if the Specified Currency is euro, for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 4(j)) (A) the relevant rate as specified in the Final Terms or (B) if no such rate is specified, the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);
- (iii) if the Specified Currency is U.S. dollars, for the semi-annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in U.S. dollars which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on (subject as otherwise provided pursuant to Condition 4(j)) (A) the relevant rate as specified in the Final Terms or (B) if no such rate is specified, the 3-month LIBOR rate (calculated on an Actual/360 day count basis);
- (iv) if the Specified Currency is not Sterling, euro or U.S. dollars, for the Fixed Leg (as set out in the Final Terms) of a fixed for floating interest rate swap transaction in that Specified Currency which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a Floating Leg (as set out in the Final Terms, and subject as otherwise provided pursuant to Condition 4(j));

“Mid-Swap Rate” means in respect of a Reset Period, (i) the applicable semi-annual or annualised (as specified in the applicable Final Terms) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified in the Final Terms) as displayed on the Screen Page at 11.00 a.m. (in the principal financial centre of the Specified Currency) on the relevant Reset Determination Date (which rate, if the relevant Interest Payment Dates are other than semi-annual or annual Interest Payment Dates, shall be adjusted by, and in the manner determined by, the Calculation Agent) or (ii) if such rate is not displayed on the Screen Page at such time and date (other than in the circumstances provided for in Condition 4(j)), the relevant Reset Reference Bank Rate;

“Reset Determination Date” means, in respect of a Reset Period, (a) each date specified as such in the Final Terms or, if none is so specified, (b) (i) if the Specified Currency is Sterling, the first Business Day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two TARGET Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency is U.S. dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period (iv) for any other Specified Currency, the day falling two Business Days in the principal financial centre for such Specified Currency prior to the first day of such Reset Period;

“Reset Date” means each of the First Reset Date, the Second Reset Date and each of the Anniversary Dates (if any) as is specified in the Final Terms;

“Reset Period” means the First Reset Period or a Subsequent Reset Period;

“Reset Rate” means (a) if ‘Mid-Swap Rate’ is specified in the Final Terms, the relevant Mid-Swap Rate, (b) if ‘Benchmark Gilt Rate’ is specified in the Final Terms, the relevant Benchmark Gilt Rate or (c) if ‘CMT Rate’ is specified in the Final Terms, the relevant CMT Rate;

“Reset Reference Bank Rate” means the percentage rate determined by the Calculation Agent on the basis of (a) if “Mid-Swap Rate” is specified in the Final Terms, the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. in the principal financial centre of the Specified Currency on the relevant Reset Determination Date or (b) if “CMT Rate” is specified in the Final Terms, the Reset United States Treasury Securities Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 4:30 p.m. (New York City time) on the relevant Reset Determination Date and, in either case, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the First Reset Period, the relevant Mid-Swap Rate or CMT Rate (as applicable) but calculated as at the last available date preceding the relevant Reset Determination Date on which such a rate was published or (ii) in the case of the First Reset Period, an amount as set out in the Final Terms as the “First Reset Period Fallback”;

“Reset Reference Banks” means (i) in the case of the calculation of a Reset Reference Bank Rate where “Mid-Swap Rate” is specified in the Final Terms, five leading swap dealers in the principal interbank market relating to the Specified Currency selected by the Issuer in its discretion, (ii) in the case of the calculation of a Reset Reference Bank Rate where “CMT Rate” is specified in the Final Terms, five banks which are primary United States Treasury Securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York selected by the Issuer in its discretion or (iii) in

the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers selected by the Issuer in its discretion;

“Reset United States Treasury Securities Quotation” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate quoted by a Reset Reference Bank as being a yield-to-maturity based on the secondary market bid price of such Reset Reference Bank for Reset United States Treasury Securities at approximately 4:30 p.m. (New York City time) on such Reset Determination Date;

“Reset United States Treasury Securities” means, on the relevant Reset Determination Date, United States Treasury Securities with an original maturity equal to the CMT Designated Maturity, a remaining term to maturity of no more than one year shorter than the CMT Designated Maturity and in a principal amount equal to an amount that is representative for a single transaction in such United States Treasury Securities in the New York City market. If two or more United States Treasury Securities have remaining terms to maturity of no more than one year shorter than the CMT Designated Maturity, the United States Treasury Security with the longer remaining term to maturity will be used and if two or more United States Treasury Securities have remaining terms to maturity equally close to the duration of the CMT Designated Maturity, the United States Treasury Security with the largest nominal amount outstanding will be used;

“Screen Page” means Reuters screen page “ICESWAP 1”, “ICESWAP 2”, “ICESWAP 3”, “ICESWAP 4”, “ICESWAP 5” or “ICESWAP 6” as specified in the Final Terms or such other page on Thomson Reuters as is specified in the Final Terms, or such other screen page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Thomson Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

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

“Subsequent Reset Period” means the period from and including the Second Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

“Subsequent Reset Rate of Interest” means, in respect of any Subsequent Reset Period, the rate of interest determined by the Calculation Agent or the Issuer and the Benchmark Determination Agent (as applicable) on the Reset Determination Date corresponding to such Subsequent Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

“Swap Rate Period” means the period or periods specified as such in the Final Terms;

“United States Treasury Securities” means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis; and

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

(c) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate

of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(g). Such Interest Payment Date(s) is/are either specified in the Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified in the Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and the provisions below relating to any of ISDA Determination, Screen Rate Determination and/or Linear Interpolation shall apply, depending upon which is specified in the Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the Final Terms;
- (y) the Designated Maturity is a period specified in the Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period (unless otherwise specified in the Final Terms),

provided that, if no Rate of Interest can be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined by the Calculation Agent in its sole and absolute discretion (though applying the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest, if any, relating to the Interest Accrual Period), failing which 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 is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (though substituting, where a different Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(I) If “Applicable – Term Rate” is specified as the method of Screen Rate Determination in the applicable Final Terms:

(i) the Rate of Interest for each Interest Accrual Period will, subject as provided below and subject to Condition 4(j), be either:

(A) the offered quotation; or

(B) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent plus or minus (as indicated in the Final Terms) the applicable Margin (if any). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(ii) If the Relevant Screen Page is not available or if sub-paragraph (i)(A) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks or, if the Reference Rate is BBSW, the principal Sydney office of the five financial institutions authorised to quote on the Reuters Screen BBSW Page or, if the Reference Rate is NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations, plus or minus (as indicated in the applicable Final Terms) the applicable Margin (if any), all as determined by the Calculation Agent.

(iii) If, where paragraph (ii) above applies, the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the sum of (A) the applicable Margin (if any) (which may be positive or negative, as indicated in the applicable Final Terms) and (B) the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request

of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market or, if the Reference Rate is BBSW, the Sydney inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which at the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market or, if the Reference Rate is BBSW, the Sydney inter-bank market or, if the Reference Rate is NIBOR, the Oslo inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (iii), 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 is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest applicable to such Notes on the Interest Commencement Date (though substituting, where a different Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (II) If “Applicable – Overnight Rate” is specified as the method of Screen Rate Determination in the applicable Final Terms:
- (i) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being “Compounded Daily”, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(j) and as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any), where:

“**Compounded Daily Reference Rate**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; (ii) (if “Index Determination” is specified as being applicable in the applicable Final Terms) by reference to the screen rate or index administered by the administrator of the applicable Reference Rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the Interest Determination Date, as further specified in the applicable Final Terms; or (iii) (if “Index Determination” is specified as being not applicable in the applicable Final Terms or “Index Determination” is specified as being applicable in the applicable Final Terms but such screen rate or index is not available at the relevant time on the 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:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{r_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“**D**” is the number specified in the applicable Final Terms;

“**d**” is the number of calendar days in:

- a. where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or
- b. where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

“**d₀**” means:

- a. where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the number of Business Days in the relevant Interest Accrual Period; or
- b. where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of Business Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant Business Day in chronological order from, and including, the first Business Day in:

- a. where “Lag” or “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant Interest Accrual Period; or

b. where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

“**Business Day**” or “**BD**”, in this Condition 4(c)(ii)(B)(II) has the meaning set out in Condition 4(k), save that where “SOFR” is specified as the Reference Rate, it means a U.S. Government Securities Business Day;

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

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

“**p**” means:

- a. where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Lag Look-Back Period specified in the applicable Final Terms (or, if no such number is specified five Business Days); or
- b. where “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the number of Business Days specified as the Observation Shift Period in the applicable Final Terms (or, if no such number is specified, five Business Days);

“**r**” means in respect of the relevant Reference Rate:

- a. where in the applicable Final Terms “Lag” or “Observation Shift” is specified as the Observation Method, in respect of any Business Day, the relevant Reference Rate in respect of such Business Day;
- b. where in the applicable Final Terms “Lock-out” is specified as the Observation Method:
 1. in respect of any Business Day “**i**” that is a Reference Day, the relevant Reference Rate in respect of the Business Day immediately preceding such Reference Day, and
 2. in respect of any Business Day “**i**” that is not a Reference Day (being a Business Day in the Lock-out Period), the relevant Reference Rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); and

“**r_i**” means the applicable Reference Rate as set out in the definition of “**r**” above for:

- a. where “Lag” is specified as the Observation Method in the applicable Final Terms, the Business Day falling “p” Business Days prior to the relevant Business Day “i”; or
 - b. where “Lock-out” or “Observation Shift” is specified as the Observation Method in the applicable Final Terms, the relevant Business Day “i”.
- (ii) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being “Weighted Average”, the Rate of Interest for each Interest Accrual Period will, subject to Condition 4(j) and as provided below, be the Weighted Average Reference Rate (as defined below) plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“Weighted Average Reference Rate” means:

- a. where “Lag” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate 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 Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the 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 Reference Rate in effect for each calendar day during the relevant Interest Accrual Period, calculated by multiplying each relevant Reference Rate by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Accrual Period, provided however that for any calendar day of such Interest Accrual Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.
- (iii) subject to Condition 4(j), where “SONIA” is specified as the relevant Reference Rate in the applicable Final Terms, if, in respect of any Business Day, SONIA is not available on the Relevant Screen Page or has not

otherwise been published by the relevant authorised distributors, such Reference Rate shall be:

1. (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of SONIA to the Bank Rate over the previous five days on which SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
2. if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors), and

in each case, "r" shall be interpreted accordingly.

- (iv) subject to Condition 4(j), where "SOFR" is specified as the relevant Reference Rate in the applicable Final Terms, if, in respect of any Business Day, the Reference Rate is not available, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the New York Fed's Website, and "r" shall be interpreted accordingly.
- (v) subject to Condition 4(j), where "€STR" is specified as the relevant Reference Rate in the applicable Final Terms, if, in respect of any Business Day, the Reference Rate is not available, such Reference Rate shall be the €STR for the first preceding Business Day on which €STR was published by the European Central Bank on its website, and "r" shall be interpreted accordingly.
- (vi) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 4(j), 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 is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the Initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual 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 Accrual Period).

If the relevant Series of Notes become due and payable in accordance with Condition 9, 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 and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

(C) *Linear Interpolation*

Where Linear Interpolation is specified in the Final Terms as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the Final Terms as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the Final Terms as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

(d) *Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the due date for redemption, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the Final Terms.

(e) *Accrual of Interest*

Interest (if any) shall cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless (upon due presentation thereof where presentation is required), payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest shall continue to accrue or, in the case of Zero Coupon Notes, shall accrue (in each case, both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to (but excluding) the Relevant Date (as defined in Condition 7).

(f) *Margin, Maximum Rate of Interest, Minimum Rates of Interest, Redemption Amounts and Rounding*

(i) If any Margin is specified in the Final Terms (either (A) generally, (B) in relation to one or more Interest Accrual Periods or (C) in relation to one or more Reset Periods), an adjustment shall, unless the relevant Margin has already been taken into account in determining such Rate of Interest, be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified

Interest Accrual Periods or Reset Periods, in the case of (B) or (C), calculated, in each case, in accordance with this Condition 4 by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin subject always (in the case of Floating Rate Notes only) to the next paragraph.

- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest or Redemption Amount is specified in the Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Further, unless otherwise stated in the Final Terms, the Minimum Rate of Interest shall be deemed to be zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the Final Terms and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

(h) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

The Calculation Agent shall as soon as practicable on each Interest Determination Date, Reset Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period (or, if determining the First Reset Rate of Interest or a Subsequent Reset Rate of Interest in respect of Fixed Rate Reset Notes, the Interest Amount for each Interest Accrual Period falling within the relevant Reset Period) calculate the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Registrar, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange or admitted to listing by another relevant authority and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no

event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(i), the Interest Amounts, the Rate of Interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and repayable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall, subject in the case of the Compounded Daily Reference Rate and Weighted Average Reference Rate to Condition 4(c)(ii)(B), nevertheless continue to be calculated as previously in accordance with this Condition 4 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding on all parties.

(i) *Business Day Convention*

If any date that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

- (i) the “Floating Rate Business Day Convention”, for all purposes (including interest accrual purposes), such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen;
- (ii) the “Following Business Day Convention (Adjusted)”, for all purposes (including interest accrual purposes), such date shall be postponed to the next day that is a Business Day;
- (iii) the “Following Business Day Convention (Unadjusted)”, (a) for the purposes of calculating any amount of interest payable under the Notes, such date shall not be adjusted; and (b) for any other purpose, such date shall be postponed to the next day that is a Business Day;
- (iv) the “Modified Following Business Day Convention (Adjusted)”, for all purposes (including interest accrual purposes), such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (v) the “Modified Following Business Day Convention (Unadjusted)”, (a) for the purposes of calculating any amount of interest payable under the Notes, such date shall not be adjusted; and (b) for any other purpose, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;
- (vi) the “Preceding Business Day Convention (Adjusted)”, for all purposes (including interest accrual purposes), such date shall be brought forward to the immediately preceding Business Day; and
- (vii) the “Preceding Business Day Convention (Unadjusted)”, (a) for the purposes of calculating any amount of interest payable under the Notes, such date shall not be adjusted; and (b) for any other purpose, such date shall be brought forward to the immediately preceding Business Day.

(j) *Benchmark discontinuation*

A. Subject to Condition 4(j)B below and notwithstanding the provisions above in Conditions 4(b) or 4(c), if a Benchmark Event occurs in relation to an Original Reference Rate when any required Rate of Interest (or any component part thereof), remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 4(j)A shall apply.

(i) *Independent Adviser*

The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)A(ii)) and, in either case, an Adjustment Spread (in accordance with Condition 4(j)A(iii)) and any Benchmark Amendments (in accordance with Condition 4(j)A(iv)).

(ii) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(j)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(j)).

(iii) *Adjustment Spread*

The applicable Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(j)A and the Issuer, following consultation with the Independent Adviser, determines (A) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(j)C, without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4(j)C, the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (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 or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 4(j)A(iv), 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.

- B. Notwithstanding the provisions above in Conditions 4(b) or 4(c), if the Original Reference Rate is SOFR or U.S. dollar LIBOR and unless “Benchmark Transition Event” is specified as being not applicable in the Final Terms, when any required Rate of Interest (or any component part thereof), remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 4(j)B shall apply instead of the application of Condition 4(j)A above.

If the Issuer determines on or prior to the Relevant Time on the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Original Reference Rate, the Benchmark Replacement will replace such Original Reference Rate for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (subject to any subsequent application of this Condition 4(j)B with respect to such Benchmark Replacement).

Where this Condition 4(j)B applies, if the Issuer considers it may be necessary to make Benchmark Replacement Conforming Changes, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining (A) whether such Benchmark Replacement Conforming Changes are necessary and (B) the terms of the Benchmark Replacement Conforming Changes and the Issuer shall, subject to giving notice thereof in accordance with Condition 4(j)C, without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Replacement Conforming Changes, with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4(j)C, the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed or an agreement supplemental to or amending the Trust Deed and/or the Agency Agreement (as applicable)) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the sole opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 4(j)B, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

For the purposes of this Condition 4:

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

- (A) (where the Original Reference Rate is U.S. dollar LIBOR) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (B) (where the Original Reference Rate is U.S. dollar LIBOR), the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;
- (C) 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;
- (D) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (E) the sum of: (a) the alternate rate of interest that has been selected by the Issuer as the replacement for the Original Reference Rate for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

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

- (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, interest accrual period, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer (in consultation with the Independent Adviser) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer (in consultation with the Independent Adviser) 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 Relevant Time on the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to the Relevant 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, if applicable, 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.

“**Compounded SOFR**” means the compounded average of daily SOFR rates for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Issuer in accordance with: (A) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining Compounded SOFR; provided that: (B) if, and to the extent that, the Issuer determines that Compounded SOFR cannot be determined in accordance with sub-paragraph (A) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time.

“**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.

“**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.

“**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.

“**Term SOFR**” means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

C. Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments or Benchmark Replacement Conforming Changes, determined under this Condition 4(j) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments and Benchmark Replacement Conforming Changes, if any.

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

- (A) where a Benchmark Event in relation to an Original Reference Rate has occurred in accordance with Condition 4(j)A above:
 - (I) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(j);
 - (II) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread; and
 - (III) certifying that (i) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Issuer has not done so; or
- (B) where a Benchmark Replacement is determined in accordance with Condition 4(j)B above:
 - (I) confirming (i) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement determined in accordance with Condition 4(j)B, specifying (1) the applicable Reference Rate for such purposes (whether the alternate rate selected or recommended by the Relevant Governmental Body, the ISDA Fallback Rate or an alternate rate selected by the Bank) and (2) the applicable Benchmark Replacement Adjustment (if any), and (iii) the specific terms of the Benchmark Replacement Conforming Changes (if any);

- (II) certifying that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement; and
- (III) certifying that (i) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (ii) explaining, in reasonable detail, why the Issuer has not done so.

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

- D. Without prejudice to the obligations of the Issuer under Condition 4(j)A or Condition 4(j)B, the Original Reference Rate and the fallback provisions provided for in Condition 4(b), Condition 4(c)(ii)(A), or Condition 4(c)(ii)(B), as applicable, will continue to apply unless and until the Calculation Agent has been notified of (i) the Successor Rate or the Alternative Rate (as the case may be), and the Adjustment Spread and Benchmark Amendments (if any) determined in accordance with Condition 4(j)A or (ii) the Benchmark Replacement (including any Benchmark Replacement Adjustment, if applicable) and Benchmark Replacement Conforming Changes (if any) determined in accordance with Condition 4(j)B, in each case in accordance with Condition 4(j)C.

An Independent Adviser appointed pursuant to this Condition 4(j) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Trustee, the Calculation Agent, the Paying Agents, or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(j).

In making any determination pursuant to this Condition 4(j), the Issuer shall act in good faith and, in the absence of bad faith or fraud, the Issuer shall have no liability whatsoever to the Trustee, the Calculation Agent, the Paying Agents, or the Noteholders for any such determination made by it.

(k) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**€STR**” means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate) on the website of the European Central Bank, (or any successor administrator) in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the administrator of such rate on the Business Day immediately following such Business Day.

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

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

- (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) if the Issuer determines there is no such spread, formula or methodology customarily applied, the Issuer determines, following consultation with the Independent Adviser is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 4(j)A(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes.

“**BBSW**” means the Australian Bank Bill Swap rate.

“**Benchmark Amendments**” has the meaning given to it in Condition 4(j)A(iv).

“**Benchmark Event**” means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will 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); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used either, generally or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, with effect from a date after 31 December 2021, the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has or will prior to the next Interest Determination Date or Reset Determination Date, as applicable, become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable),

provided that the Benchmark Event shall be deemed to occur in the case of paragraphs (ii) and (iii) above, on the date of the cessation of the Original Reference Rate or the discontinuation of the Original Reference Rate, in the case of paragraph (iv) above, on the date of prohibition of use of the Original Reference Rate and, in the case of paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be)

representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“**Business Day**” means:

- (i) in the case of a currency other than euro a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and
- (iii) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in any Business Centre(s) specified in the Final Terms.

“**Calculation Amount**” means the amount by reference to which the Interest Amount and the Final Redemption Amount are calculated as specified in the Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/365**” or “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

- (vii) if “**Actual/Actual ICMA**” is specified in the Final Terms:

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such Calculation Period divided by the product of:
 - (x) the number of days in such Determination Period; and
 - (y) the number of Determination Periods normally ending in any year; or
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Periods normally ending in any year;

where:

“Determination Period” means the period from and including a Determination Date (as specified in the Final Terms) in any year to but excluding the next Determination Date; and

“Determination Date” means the date specified as such in the Final Terms or, if none is so specified, the Interest Payment Date.

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

“Eurozone” means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

“Independent Adviser” means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 4(j)A(i) and/or Condition 4(j)B.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the Final Terms as being payable on the Interest Payment Date ending on the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the Final Terms.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling or euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified in the Final Terms.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the Final Terms.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and in respect of the Notes, as amended and supplemented up to and including the Issue Date for the first Tranche of the Notes (or as otherwise specified in the Final Terms).

“Lock-out Period” means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Period Date.

“New York Fed’s Website” means the website of the Federal Reserve Bank of New York **Error! Hyperlink reference not valid.** (or a successor administrator of SOFR) or any successor source.

“NIBOR” means the Norwegian kroner interbank offered rate.

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

“Rate of Interest” means the rate of interest payable from time to time in respect of the Notes and that is either specified in or calculated in accordance with the provisions in the Final Terms.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, in the case of a determination of BBSW, the principal Sydney office of the five financial institutions authorised to quote on the Reuters Screen BBSW Page and, in the case of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Issuer or as specified in the Final Terms.

“Reference Day” means each Business Day in the relevant Interest Accrual Period, other than any Business Day in the Lock-out Period.

“Reference Rate” means the rate specified as such in the Final Terms.

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

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) 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 benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

“**Relevant Time**” means the time specified as such in the Final Terms.

“**SOFR**” means, in respect of any Business Day, 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 on or about 3:00 p.m. (New York City Time) on the Business Day immediately following such Business Day.

“**SONIA**” means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business 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 in each case on the Business Day immediately following such Business Day.

“**Specified Currency**” means the currency specified in the Final Terms or, if none is specified, the currency in which the Notes are denominated.

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

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

(l) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent is unable or unwilling to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money or swap market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) *Nature of the Return*

Any interest paid to the Noteholder shall constitute consideration paid for the use of the principal and for the assumption of the risk that the Noteholder may not recover its original investment or that its return may be variable.

5 Redemption, Purchase and Options

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount(s) (which, unless otherwise provided in the Final Terms, is its nominal amount).

(b) *Early Redemption*

(i) Zero Coupon Notes

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and repayable as provided in Condition 9, shall be the Amortised Face Amount (as defined and calculated below) of such Note unless otherwise specified in the Final Terms.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount(s) of such Note on the Maturity Date discounted back to the due date for payment at a rate per annum (expressed as a percentage) equal to the Amortisation Yield applied on a compounded or non-compounded basis as specified in the Final Terms (which, if none is specified in the Final Terms, shall be such rate (compounded annually) as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) (the “**Amortised Face Amount**”).

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and repayable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as calculated in accordance with sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the “due date for payment” were replaced by a reference to the date on which the relevant amount is actually paid. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the date such amount is paid, unless such date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount(s) of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the Final Terms.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), upon redemption of such Note pursuant to Condition 5(c), Condition 5(d)

or Condition 5(e) shall be the Final Redemption Amount(s) unless otherwise specified in the Final Terms.

(c) *Redemption for Taxation Reasons*

The Issuer may at its option but subject to Condition 5(h), having given not less than 30 nor more than 60 days' notice in accordance with Condition 14, redeem all, but not some only, of the Notes outstanding on (if the Notes are Floating Rate Notes) the next Interest Payment Date or (if the Notes are not Floating Rate Notes) at any time at the Early Redemption Amount, together with any accrued but unpaid interest up to (but excluding) the date fixed for redemption, if, at any time, the Issuer shall satisfy the Trustee (immediately prior to the giving of the notice referred to above) that a Tax Event has occurred.

The Issuer shall deliver to the Trustee an opinion of an independent lawyer or accountant satisfactory to the Trustee, in a form satisfactory to the Trustee, to the effect that a Tax Event exists. The Trustee may accept such opinion without any further inquiry as sufficient evidence of the existence of the circumstances required to be established in which event it shall be conclusive and binding on the Issuer, the Trustee, the Noteholders and the Couponholders, and the Trustee will not be responsible for any loss that may be occasioned by the Trustee's acting or relying on such opinion.

A "**Tax Event**" shall be deemed to have occurred if, as a result of a Tax Law Change:

- (i) in making payment under the Notes, the Issuer has or would on or before the next Interest Payment Date or the Maturity Date become obliged to pay additional amounts under Condition 7 (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it);
- (ii) the payment of interest on the next Interest Payment Date or the Maturity Date in respect of any of the Notes would be treated as a "distribution" within the meaning of Chapter 2 of Part 23 of the Corporation Tax Act 2010 of the United Kingdom (or any statutory modification or re-enactment thereof for the time being); and/or
- (iii) on the next Interest Payment Date or the Maturity Date the Issuer would not be entitled to claim a deduction in respect of any payments in respect of the Notes in computing its United Kingdom taxation liabilities (or the value of such deduction to the Issuer would be materially reduced).

In these Conditions, "**Tax Law Change**" means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the United Kingdom or any authority thereof or therein having the power to tax, including any treaty to which the United Kingdom is a party, or any change in the application of official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority, which change or amendment (a) (subject to (b)) becomes, or would become, effective on or after the Issue Date, or (b) in the case of a change or proposed change in law, if such change is enacted (or, in the case of a proposed change, is expected to be enacted), on or after the Issue Date.

(d) *Redemption at the Option of the Issuer*

If Call Option is specified as being applicable in the Final Terms, the Issuer may at its option but subject to Condition 5(h), on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders and the Trustee (or such other notice period as may be specified in the Final Terms), redeem all or, if so provided, some only of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the Final Terms (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least

equal to the Minimum Redemption Amount to be redeemed specified in the Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws, stock exchange requirements or the requirements of any other relevant authority.

(e) Redemption at the Option of Noteholders

If Put Option is specified as being applicable in the Final Terms, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the Final Terms), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified in the Final Terms (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Purchases

The Issuer or any of its subsidiaries or any holding company of the Issuer or any other subsidiary of any such holding company may, but is not obliged to, purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Any Notes so purchased or otherwise acquired may, at the Issuer's discretion, be held or resold or surrendered for cancellation.

(g) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries or any holding company of the Issuer or any other subsidiary of any such holding company may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(h) Conditions to Redemption and Purchase

Prior to the publication of any notice of redemption pursuant to this Condition 5 (other than redemption on the relevant Maturity Date), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer, in a form satisfactory to the Trustee, certifying that the relevant requirement or circumstance giving rise to the right to redeem is satisfied, including (in the case of a Tax Event) that a

Tax Event (as defined in Condition 5(c) above) exists. The Trustee may accept such certificate without any further inquiry as sufficient evidence of the existence of the circumstances required to be established in which event it shall be conclusive and binding on the Issuer, the Trustee, the Noteholders and the Couponholders and the Trustee will not be responsible for any loss that maybe occasioned by the Trustee's acting or relying on such certificate.

6 Payments and Talons

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (and, in the case of interest, as specified in Condition 6(f)(v)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be:

- (i) in the case of a currency other than euro, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency; and
- (ii) in the case of euro, at the specified office of any Paying Agent outside the United States by a cheque payable in euro drawn on, or, at the option of the holder, by transfer to an account denominated in euro with, a bank in a city in which banks have access to the TARGET System.

(b) *Registered Notes*

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by a cheque drawn on a bank in the principal financial centre of such currency, subject as provided in Condition 6(a) above, and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 6(a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of such currency.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments subject to Fiscal Laws*

Save as provided in Condition 7, payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its respective Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements.

No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments. The Issuer reserves the right to require a Noteholder or Couponholder to provide a Paying Agent, the Registrar or a Transfer Agent with such certification or information as may be required to enable the Issuer to comply with the requirements of the United States federal income tax laws or any agreement between the Issuer and any taxing authority.

(e) *Appointment of Agents*

The Issuing and Paying Agent, the other Paying Agents, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. Subject as provided in the Trust Deed and the Agency Agreement, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes which may be the Registrar, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having a specified office in Europe, which, so long as the Notes are listed on the official list (the “**Official List**”) of the FCA acting under Part VI of the Financial Services and Markets Act 2000 and are admitted to trading on the London Stock Exchange plc’s Regulated Market, shall be in London and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Trustee. In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders by the Issuer in accordance with Condition 14.

(f) *Unmatured Coupons and unexchanged Talons*

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than any Fixed Rate Notes where the total value of the unmatured coupons appertaining thereto exceeds the nominal amount of such Note), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or (where the total value of the unmatured coupons exceeds the nominal amount of such Note) a Fixed Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(h) *Non-Business Days*

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 6(h), “**business day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Additional Financial Centres” in the Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

7 **Taxation**

All payments of principal and/or interest (if any) by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made without withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts in

relation to principal and/or interest (if any), as will result (after such withholding or deduction) in receipt by the Noteholders and the Couponholders of the amount of principal and interest (if any) which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Notes and/or Coupons, as the case may be; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment by or on behalf of any holder who is liable to such tax, duty, assessment or governmental charge in respect of such Note or Coupon by reason of such holder having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or
- (b) to, or to a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such holder proves that he is not entitled so to comply or to make such declaration or claim; or
- (c) to, or to a third party on behalf of, a holder that is a partnership, or a holder that is not the sole beneficial owner of the Note or Coupon, or which holds the Note or Coupon in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment at the expiry of such period of 30 days.

Notwithstanding any other provision of the Conditions or the Trust Deed, any amounts to be paid on the Notes by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used herein:

The “**Relevant Date**” in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent or the Trustee on or prior to such date) the date on which notice is given to the Noteholders that such moneys have been so received.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to them and (iii) “**principal**” and/or “**interest**” (other than such interest as is referred to in Condition 9(g)) shall be deemed to include any additional amounts that may be payable under this Condition 7 or under any obligations undertaken in addition thereto or in substitution therefor under the Trust Deed.

8 Prescription

Claims for payment of principal (excluding principal comprised in a withheld amount) will become void 12 years, and claims for payment of interest (other than interest comprised in, or accrued on, a withheld amount) will become void six years, after the Relevant Date (as defined in Condition 7) relating thereto. Claims in respect of principal comprised in a withheld amount and claims in respect of interest comprised in, or accrued on, a withheld amount will, in the case of such principal, become void 12 years and will, in the case of such interest, become void six years after the due date for payment thereof as specified in Condition 9(f) or, if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent, another Paying Agent, the Registrar, a Transfer Agent or the Trustee, as the case may be, on or prior to such date, the date of which notice is given in accordance with Condition 14 that the relevant part of such moneys has been so received.

The prescription period in respect of Talons shall be:

- (a) as to any Talon the original due date for exchange of which falls within the 12 years immediately prior to the due date for redemption (pursuant to Condition 5) of the Note to which it pertains, six years from the Relevant Date for the redemption of such Note, but so that the Coupon sheet for which it is exchangeable shall be issued without any Coupon itself prescribed in accordance with this Condition 8 or the Relevant Date for payment of which would fall after the Relevant Date for the redemption of the relevant Note and without a Talon; and
- (b) as to any other Talon, 12 years from the Relevant Date for payment of the last Coupon of the Coupon sheet of which it formed part.

9 Events of Default and Enforcement

- (a) If the Issuer shall not make payment of any principal or any interest in respect of the Notes for a period of 14 days or more after the due date for the same, the Trustee may, at any time at its discretion and without notice institute such proceedings and/or take such other action as it may think fit against or in relation to the Issuer to enforce its obligations under the Notes, provided that it shall not have the right to institute such proceedings and/or, as the case may be, to take such other action if the Issuer withholds or refuses any such payment (A) (subject to Condition 7) in order to comply with any fiscal or other law or regulation, with the order of any court of competent jurisdiction or with any agreement between the Issuer and any taxing authority, in each case applicable to such payment, the Issuer, the relevant Paying Agent, Transfer Agent or Registrar or the holder of the Note or Coupon or (B) (subject as provided in the Trust Deed) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of 14 days by independent legal advisers acceptable to the Trustee.
- (b) If otherwise than for the purposes of reconstruction or amalgamation on terms previously approved in writing by the Trustee, an order is made or an effective resolution is passed for winding-up the Issuer, the Trustee may at its discretion give notice to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount, together with accrued interest (calculated as provided in the Trust Deed).
- (c) The Trustee shall not be bound to institute proceedings and/or take the action referred to in Condition 9(a), 9(b) or 9(d) to enforce the obligations of the Issuer in respect of the Notes and Coupons or to take any other actions under the Trust Deed unless (i) it shall have been so requested by Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding (as defined in the Trust Deed) and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

- (d) No Noteholder or Couponholder shall be entitled to institute such proceedings and/or take such other action as is referred to in Condition 9(a) above, or to prove in such winding-up, except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails (or is unable) to do so, or, being able to prove in such winding-up, fails to do so, in either case within a reasonable period and such failure (or inability) is continuing, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute such proceedings and/or take such other action or institute proceedings for the winding-up of the Issuer and/or prove in such winding-up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do.
- (e) The Issuer has undertaken in the Trust Deed to pay UK stamp and other duties (if any) on or in connection with the execution of the Trust Deed and UK, Belgian and Luxembourg stamp and other duties or taxes (if any) payable on or in connection with the constitution and original issue of any Global Note or any Global Certificate or the Definitive Notes or the Coupons (provided such stamp and other duties or taxes result from laws applicable on or prior to the date 40 days after the Issue Date specified in the Final Terms of such Notes and, in the case of exchange of Global Notes for Definitive Notes, such tax results from laws applicable on or prior to the date of such exchange) and stamp and other duties or taxes (if any) payable in the United Kingdom (but not elsewhere) solely by virtue of and in connection with any permissible proceedings under the Trust Deed or the Notes to enforce the provisions of the Notes, Certificates, Coupons, Talons or the Trust Deed, save that the Issuer shall not be liable to pay any such stamp or other duties or taxes to the extent that the obligation arises or the amount payable is increased by reason of the holder at the relevant time unreasonably delaying in producing any relevant document for stamping or similar process. Subject as aforesaid, the Issuer will not be otherwise responsible for stamp or other duties or taxes otherwise imposed and in particular (but without prejudice to the generality of the foregoing) for any penalties arising on account of late payment where due by the holder at the relevant time. Any such stamp or other duties or taxes that might be imposed upon or in respect of Notes in temporary global, permanent global or definitive form or the Coupons or Talons (in each case other than as aforesaid) are the liability of the holders thereof.
- (f) If payment to any Noteholder of any amount due in respect of the Notes (other than interest) is improperly withheld or refused (any withholding or refusal effected in reliance upon the proviso to Condition 9(a) where the relevant law, regulation or order proves subsequently not to be valid or applicable shall be treated, for the purpose of ascertaining entitlement to accrued interest but not for any other purpose, as if it had been at all times an improper withholding or refusal), interest shall accrue until, but excluding, the date on which notice is given in accordance with Condition 14 that the full amount in the Specified Currency payable in respect of such Notes is available for payment or the date of payment, whichever first occurs and shall be calculated by applying the Rate of Interest determined in accordance with these Conditions on the first day of the then current Interest Period (and each relevant Interest Period (if any) thereafter) to such amount withheld or refused, multiplying the sum by the relevant Day Count Fraction for such Interest Period and rounding the resultant figure to the nearest unit (as such term is defined in Condition 4(f)(iii)).
- (g) If, in reliance upon the proviso to Condition 9(a), payment of any amount (each a “**withheld amount**”) in respect of the whole or any part of the principal and/or any interest due in respect of the Notes, or any of them, is not paid or provided by the Issuer to the Trustee or to the account of or with the Issuing and Paying Agent, or is withheld or refused by any of the Paying Agents, the Registrar or the Transfer Agents, in each case other than improperly within the meaning of Condition 9(e), or which is paid or provided after the due date for payment thereof, such withheld amount shall, where not already an interest bearing deposit, if lawful, promptly be so placed, all as more particularly described in the Trust Deed. If subsequently it shall be or become lawful to make payment of such withheld amount in the Specified Currency, notice shall be given in accordance with Condition 14, specifying the date (which shall be no

later than seven days after the earliest date thereafter upon which such interest bearing deposit falls or may (without penalty) be called due for repayment) on and after which payment in full of such withheld amount (or that part thereof which it is lawful to pay) will be made. In such event (but subject in all cases to any applicable fiscal or other law or regulation or the order of any court of competent jurisdiction), the withheld amount or the relevant part thereof, together with interest accrued thereon from, and including, the date the same was placed on deposit to, but excluding, the date upon which such interest bearing deposit was repaid, shall be paid to (or released by) the Issuing and Paying Agent for payment to the relevant holders of Notes and/or Coupons, as the case may be (or, if the Issuing and Paying Agent advises the Issuer of its inability to effect such payment, shall be paid to (or released by) such other Paying Agent, Registrar or Transfer Agent (as the case may be) as there then may be or, if none, to the Trustee, in any such case for payment as aforesaid). For the purposes of Condition 9(a), the date specified in the said notice shall become the due date for payment in respect of such withheld amount or the relevant part thereof. The obligations under this Condition 9(g) shall be in lieu of any other remedy otherwise available under these Conditions, the Trust Deed or otherwise in respect of such withheld amount or the relevant part thereof.

- (h) Any interest payable as provided in Condition 9(f) above shall be paid net of any taxes applicable thereto and Condition 7 shall not apply in respect of the payment of any such interest.

10 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and/or any subsidiary and/or any holding company of the Issuer and/or any other subsidiary of any such holding company without accounting for any profit resulting therefrom.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any of the provisions of the Notes, the Coupons or the Trust Deed, except that certain provisions of the Trust Deed may only be modified subject to approval by Extraordinary Resolution passed at a meeting of Noteholders to which special quorum provisions shall have applied. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. 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 Condition 4(j) without the consent of the Noteholders or Couponholders. Any such modification, authorisation or waiver shall be binding on the Noteholders

and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable in accordance with Condition 14.

(c) *Substitution*

The Trustee shall agree, if requested by the Issuer and subject to such amendment of the Trust Deed and such other conditions as the Trustee may reasonably require, but without the consent of the Noteholders or the Couponholders, to the substitution, subject to the Notes and the Coupons being unconditionally and irrevocably guaranteed by the Issuer on an unsubordinated basis, of a subsidiary of the Issuer or a holding company of the Issuer or another subsidiary of any such holding company in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons and as a party to the Agency Agreement.

(d) *Change of Governing Law*

In the case of a substitution pursuant to Condition 11(c), the Trustee may in its absolute discretion agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed and/or the Agency Agreement provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(e) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Noteholder or Couponholder shall, in connection with any such modification, waiver, authorisation or substitution, be entitled to claim, and the Trustee shall not be entitled to require, from the Issuer any indemnification or payment in respect of any tax or other consequence of any such exercise upon individual Noteholders or Couponholders except to the extent provided for by Condition 7.

12 Replacement of Notes, Certificates, Coupons and Talons

- (a) If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other place of which notice shall be given in accordance with Condition 14 in each case on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued. In addition, the Issuer may require the person requesting delivery of a replacement Note, Certificate, Coupon or Talon to pay, prior to delivery of such replacement Note, Certificate, Coupon or Talon, any stamp or other tax or governmental charges required to be paid in connection with such replacement. No replacement Note shall be issued having attached thereto any Coupon or Talon, claims in respect of which shall have become void pursuant to Condition 8.

- (b) Where:
- (i) a Talon (the “**relevant Talon**”) has become prescribed in accordance with Condition 8; and
 - (ii) the Note to which the relevant Talon pertains has not become void through prescription; and
 - (iii) no Coupon sheet (or part thereof, being (a) Coupon(s) and/or a Talon, hereinafter called a “**part Coupon sheet**”), which Coupon sheet would have been exchangeable for the relevant Talon or for any subsequent Talon bearing the same serial number pertaining to such Note, has been issued; and
 - (iv) either no replacement Coupon sheet or part Coupon sheet has been issued in respect of any Coupon sheet or part Coupon sheet referred to in paragraph (iii) above or, in the reasonable opinion of the Issuer, there is no reasonable likelihood that any such replacement has been issued,

then upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity or security as the Issuer may reasonably require there may be obtained at the specified office of the Issuing and Paying Agent (or such other place of which notice shall be given in accordance with Condition 14) a Coupon sheet or Coupon sheets or part Coupon sheet(s), as the circumstances may require, issued:

- (A) in the case of a Note that has become due for redemption (x) without any Coupon itself prescribed in accordance with Condition 8 or the Relevant Date for payment of which would fall after the Relevant Date for the redemption of the relevant Note, and (y) without any Talon or Talons, as the case may be; or
- (B) in any other case, without any Coupon or Talon itself prescribed in accordance with Condition 8 and without any Talon pertaining to a Coupon sheet the Relevant Date of the final Coupon of which falls on or prior to the date when the Coupon sheet(s) or part Coupon sheet(s) is (are) delivered to or to the order of the claimant, but in no event shall any Coupon sheet be issued the original due date for exchange of which falls after the date of delivery of such Coupon sheet(s) as aforesaid.

For the avoidance of doubt, the provisions of this Condition 12(b) shall not give, or revive, any rights in respect of any Talon that has become prescribed in accordance with Condition 8.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further notes shall be consolidated and form a single Series with the Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition and forming a single Series with the Notes. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

14 Notices

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in the United Kingdom (which is expected to be the Financial Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in the United Kingdom, approved by the Trustee. Any such notice

shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the weekday (being a day other than a Saturday or a Sunday) after the date of mailing provided that, if at any time by reason of the suspension or curtailment (or expected suspension or curtailment) of postal services within the United Kingdom or elsewhere the Issuer is unable effectively to give notice to holders of Registered Notes through the post, notices to holders of Registered Notes will be valid if given in the same manner as other notices as set out above.

15 Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Notes and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Notes may be brought in such courts.

(c) Third Party Rights

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person that exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the relevant Final Terms or Pricing Supplement to be issued in NGN form or if they are to be held under the NSS (as the case may be), (i) the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper and (ii) the Final Terms or Pricing Supplement will indicate whether or not such Global Notes or the Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or the Global Certificates with the Common Safekeeper 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 satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository (as defined below).

Upon the initial deposit of a Global Note in CGN form with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository or the Common Safekeeper, as the case may be, may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms or Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or such Alternative Clearing System as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such nominal amount of such Notes for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than in respect of the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate in accordance with and subject to its terms and the terms of the Trust Deed. Accountholders shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to or to the order of the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined in paragraph 3.6 below):

- (i) if the relevant Final Terms or Pricing Supplement indicates that such temporary Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “*Overview of the Programme – Selling Restrictions*”), in whole, but not in part, for the Definitive Notes, as defined and described below¹; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership for interests in a permanent Global Note or, if so provided in the relevant Final Terms or Pricing Supplement, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes or, in the case of paragraph (i) below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder (acting on the instructions of the person(s) with beneficial interest(s) in such permanent Global Note) giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such permanent Global Note for Registered Notes²; and
- (ii) otherwise, (i) upon the happening of any of the events defined in the Trust Deed as “Events of Default”; or (ii) if Euroclear or Clearstream, Luxembourg or an Alternative Clearing System is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Trustee is available.

3.3 Global Certificates

If the relevant Final Terms or Pricing Supplement state that the Notes are to be represented by a Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) upon the happening of any of the events defined in the Trust Deed as “Events of Default”; or
- (ii) if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention

¹ In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for Definitive Notes in accordance with this paragraph 3.1, such Notes shall be tradeable only in amounts of at least the Specified Denomination (or if more than one Specified Denomination, the minimum Specified Denomination provided herein and multiples thereof.

² Not applicable to Notes with a minimum Specified Denomination plus a higher integral multiple of a smaller amount.

permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Trustee is available; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the holder of the Registered Notes has given the Registrar not less than 30 days' notice at its specified office of the holder of the Registered Notes' intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes if principal in respect of any Notes is not paid when due.

A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the relevant Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or (iii) if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them, if applicable, all Coupons in respect of interest that has not already been paid on the Global Note and, if applicable, a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN, or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 6(h).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Payments of interest (if any) in respect of Notes represented by a Global Note or a Global Certificate shall be made at the rates, on the dates for payment and in accordance with the methods of calculation provided for in the Conditions relating to such Notes.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 12 years (in the case of principal) or six years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

4.3 Cancellation

Cancellation of any Note represented by a Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

4.4 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, or any of its subsidiaries or any holding company of the Issuer or any other subsidiary of any such holding company if they are purchased together with the right to receive all future payments of interest (if any) thereon.

4.5 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of Accountholders in respect of the Notes will be governed by the standard procedures 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) or any other Alternative Clearing System (as the case may be).

4.6 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (electronically or otherwise) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of, or containing substantially similar information as contained in, the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is a NGN, or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.7 NGN Nominal Amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its Accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such Accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

Subject to the immediately following paragraph, so long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to the relative Accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate. Any such notice shall be deemed to have been given to the holders of the Notes on the second business day after such notice is delivered to that clearing system for communication by it to the holders.

5 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (i) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes (an “**Electronic Consent**” as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum requirements were satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by Accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the Accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the Accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an Accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the Accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds of each issue of Notes will be used for the general business purposes of the LBCM Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms or Pricing Supplement.

CLEARING AND SETTLEMENT

Book-Entry Ownership

Bearer Notes

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depository or common safekeeper, as the case may be, for Clearstream, Luxembourg and/or Euroclear or an Alternative Clearing System as agreed between the Issuer and relevant Dealer(s). Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear or, if appropriate, the Alternative Clearing System. Each Global Note deposited with a common depository or common safekeeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code. Global Notes deposited with a common depository or nominee or custodian of an Alternative Clearing System may have additional or alternative identifiers, as set out in the relevant Final Terms or Pricing Supplement.

Registered Notes

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear and/or an Alternative Clearing System for acceptance in their respective book-entry systems in respect of any Series of Registered Notes to be represented by a Global Certificate. Each Global Certificate deposited with a nominee for Clearstream, Luxembourg and/or Euroclear will have an ISIN and a Common Code. Global Certificates registered in the name of a nominee for an Alternative Clearing System may have additional or alternative identifiers, as set out in the relevant Final Terms or Pricing Supplement.

All Registered Notes will initially be in the form of a Global Certificate. Individual Certificates will only be available in amounts specified in the applicable Final Terms or Pricing Supplement.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Clearstream, Luxembourg and Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and/or Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg and Euroclear will need to have an agreed settlement date between the parties to such transfer.

Individual Certificates

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream, Luxembourg and Euroclear or for an Alternative Clearing System will be permitted only in the circumstances set forth in “*Summary of Provisions Relating to the Notes while in Global Form – Exchange – Global Certificates*”. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates.

LLOYDS BANK CORPORATE MARKETS PLC

Overview

The Issuer was created in response to the Financial Services (Banking Reform) Act 2013 (the “**Banking Reform Act**”), which took effect from 1 January 2019 and required the separation of certain commercial banking activities and international operations from the rest of the Lloyds Banking Group.

The Issuer supports the business of the Lloyds Banking Group as a whole. The Issuer does this by providing services and products to customers (both new and existing) including those that cannot be provided by the ring-fenced bank sub-group (as set out below) as a result of the restrictions imposed by the implementation of the Ring-fencing Rules (as defined below) and market participation choices made by the Lloyds Banking Group.

The Issuer is wholly-owned by LBG and operates under the Companies Act 2006. Accordingly, set out below is information relating to the Lloyds Banking Group, the Issuer and the LBCM Group which is necessary in order for investors to understand the business of the Issuer and the relevance of its position within the Lloyds Banking Group.

Lloyds Banking Group

The Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers.

Its main business activities are retail, commercial and corporate banking, general insurance, and life, pensions and investment provision.

The Lloyds Banking Group operates the UK’s largest retail bank and has a large and diversified customer base.

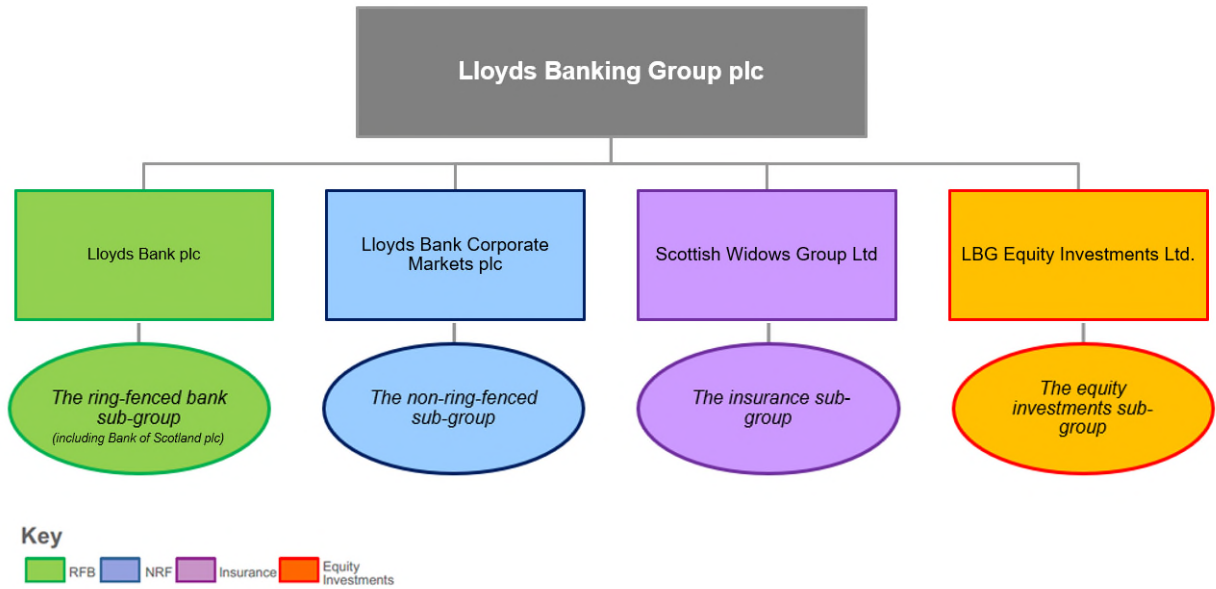
Services are offered through a number of well recognised brands including Lloyds Bank, Halifax, Bank of Scotland, and Scottish Widows, and a range of distribution channels. This includes the largest branch network in the UK and comprehensive digital, telephony and mobile services.

Ring-Fencing

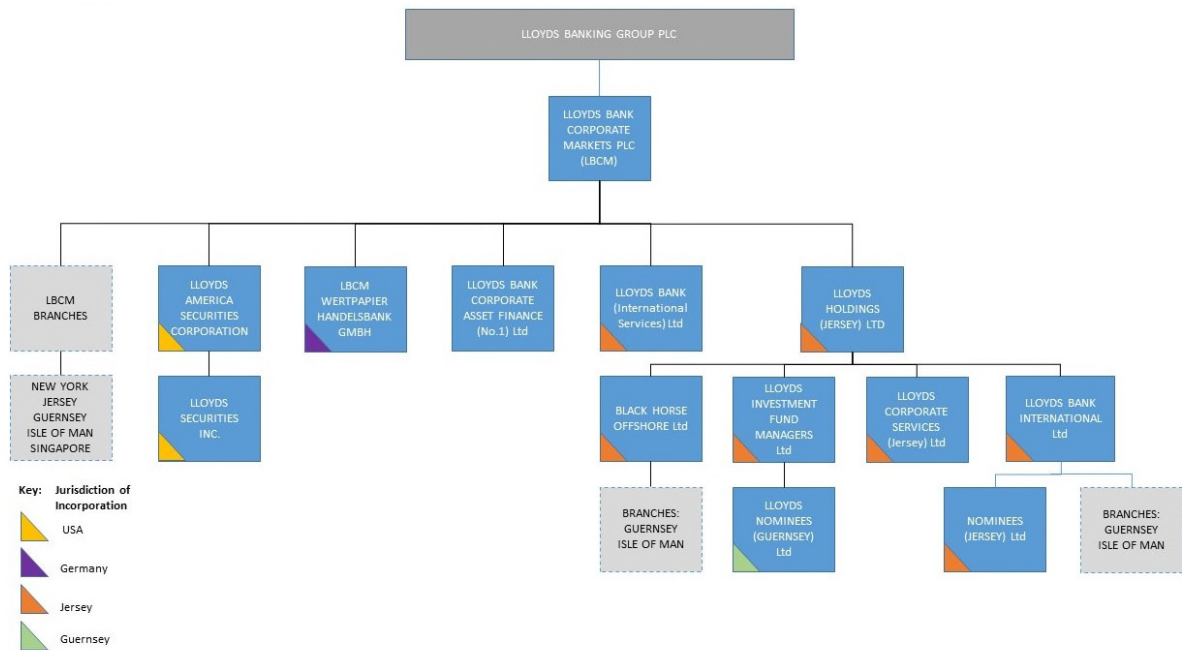
In order to comply with the ring-fencing rules (implemented by the PRA and FCA under the Banking Reform Act from 1 January 2019) (the “**Ring-fencing Rules**”), the Lloyds Banking Group undertook a reorganisation to establish four distinct and separate sub-groups under LBG, being:

- (i) *the ring-fenced bank sub-group*, containing Lloyds Bank, BoS, the European Economic Area (“**EEA**”) branches of Lloyds Bank and BoS, and the EEA subsidiaries and other members of the sub-consolidation group;
- (ii) *the non-ring-fenced sub-group*, containing the Issuer, subsidiaries and interests in other entities, including those that perform excluded / prohibited banking activities, and non-EEA subsidiaries and non-EEA branches (the LBCM Group);
- (iii) *the insurance sub-group*, containing Scottish Widows Group Limited and its relevant subsidiaries carrying on insurance-related activities; and
- (iv) *the equity investments sub-group*, containing LBG Equity Investments Limited, its relevant subsidiaries and certain strategic and other investments and shareholdings of the Lloyds Banking Group.

The diagram below sets out the Lloyds Banking Group structure as at the date of this Prospectus:



The diagram below sets out the LBCM Group structure as at the date of this Prospectus:



Strategy of the LBCM Group

The LBCM Group provides a range of banking and financial services through its UK and overseas branches and offices, with operations in the UK, the Crown Dependencies, the United States, Germany and Singapore. These products and services form an integral part of the client service proposition of the Lloyds Banking Group. Accordingly, the Issuer’s strategy is aligned to that of the Lloyds Banking Group. The strategic focus of the Lloyds Banking Group and of the LBCM Group may change over time, including as a result of changes in UK and international regulation, changes in the economy and as a result of any new strategic

initiatives or goals to be announced by the Lloyds Banking Group's current or future senior management or that of the LBCM Group.

Business and Activities of the LBCM Group

The LBCM Group offers a range of products and services to its customers including those that the Lloyds Banking Group would otherwise not be able to continue to provide as a result of the Ring-fencing Rules. These products and services have been offered historically through Lloyds Bank and BoS.

As at the date of this Prospectus, the LBCM Group's offering covered the following product businesses:

- (i) commercial lending (including fixed rates loans, revolving credit facilities, variable loans and business mortgages);
- (ii) trade and working capital management (including trade services, trade finance, supply chain finance and asset finance);
- (iii) bonds and structured finance (including structured lending and asset securitisation);
- (iv) risk management (including FX, rates, credit, commodities and liabilities management); and
- (v) retail banking services (including mortgages, personal current accounts, personal loans, investment services and motor finance) in the Crown Dependencies.

The LBCM Group's target market for its products and services is made up of large corporates and financial institutions in the UK and internationally, and retail and commercial clients in the Crown Dependencies.

The Shared Services Model

The LBCM Group is supported by Lloyds Bank through the Shared Services Model which involves the provision of services to the LBCM Group by Lloyds Bank. The Shared Services Model is distinct from but not dissimilar to a shared services model which already exists within the Lloyds Banking Group servicing multiple Lloyds Banking Group entities.

The terms of the Shared Services Model are set out in intra-group agreements between the Issuer, other LBCM Group entities and Lloyds Bank. The intra-group agreements cover banking services (including relationship management, product management, financial markets product sales and capital markets origination) and organisation support services (including client services, products and marketing support, performance management and asset and portfolio management, control, commercial banking client delivery, data services, security, change management, property, payments, document management, IT, sourcing, complaints management, HR, finance, corporate affairs, risk, secretariat, audit, legal and digital services). The intra-group agreement between the LBCM Group entities and Lloyds Bank contains a provision which addresses the requirements in the PRA's Operational Continuity In Resolution ("**OCIR**") rules regarding continuity of supply of services in resolution scenarios. For more information see "*Note 7 to the financial statements – Operating expenses*" of the 2019 Annual Report.

Ratings of the Issuer

As at the date of this Prospectus: (i) long-term senior obligations of the Issuer are rated "A" by S&P, "A1" by Moody's and "A+" by Fitch; and (ii) short-term senior obligations of the Issuer are rated "A-1" by S&P, "P-1" by Moody's and "F1" by Fitch.

Expected ratings in relation to Notes issued by the Issuer under the Programme

S&P is expected to rate: Notes issued by the Issuer under the Programme with a maturity of one year or more "A" and Notes issued by the Issuer under the Programme with a maturity of less than one year "A-1".

Fitch is expected to rate: Notes issued by the Issuer under the Programme with a maturity of one year or more “A+” and Notes issued by the Issuer under the Programme with a maturity of less than one year “F1”.

Moody’s is expected to rate: Notes issued by the Issuer under the Programme with a maturity of one year or more “A1” and Notes issued by the Issuer under the Programme with a maturity of less than one year “P-1”.

The credit ratings referred to and included in this Prospectus have been issued by S&P, Fitch and Moody’s, each of which is established in the EU or the UK and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the EU or the UK and registered under Regulation (EC) No. 1060/2009 (as amended) on credit rating agencies will be disclosed in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to change, suspension or withdrawal at any time by the assigning rating agency.

For detail on credit ratings risks see *“Risk Factors – Economic and Financial Risks”*. In particular, see *“Risk Factors – Economic and Financial Risks – A reduction in the Issuer’s short term and/or long term credit rating could materially adversely affect the LBCM Group’s results of operations, financial condition or prospects”*.

Material Contracts

The Issuer and its subsidiaries are party to various contracts in the ordinary course of business. These include the intra-group agreements entered into between the Issuer, other LBCM Group entities and Lloyds Bank. For more information see *“Lloyds Bank Corporate Markets plc – The Shared Services Model”*.

Competitive Environment

The LBCM Group provides financial services to individual and business customers, in the UK and overseas.

The market for UK financial services, and the other markets within which the LBCM Group operates, are competitive, and management expects such competition to continue or intensify in response to competitor behaviour, including non-traditional competitors, consumer demand, technological changes such as the growth of digital banking, and the impact of regulatory actions and other factors.

For more information see *“Risk Factors – Business and Operational Risks – The LBCM Group’s businesses are conducted in competitive environments and the LBCM Group’s financial performance depends upon management’s ability to respond effectively to competitive pressures”*.

Regulation

Approach of the Financial Conduct Authority (“FCA”)

As per FSMA (as amended by the Financial Services Act 2012), the FCA has a strategic function to ensure that the relevant markets function well. In support of this, the FCA has three operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system and to promote effective competition in the interests of consumers.

The FCA Handbook sets out rules and guidance across a range of conduct issues with which financial institutions are required to comply including high level principles of business and detailed conduct of business standards and reporting standards.

Approach of the PRA

The PRA is part of the Bank of England, with responsibility for the prudential regulation and supervision of circa 1,500 banks, building societies, credit unions, insurers and major investment firms. Their strategy is to deliver a resilient financial sector by seeking: an appropriate quantity and quality of capital and liquidity; effective risk management; robust business models; and sound governance including clear accountability of firms' management. This strategy supports their two statutory objectives: to promote the safety and soundness of these firms; and to contribute to the securing of an appropriate degree of protection for policyholders (for insurers).

Through regulation, the PRA sets standards/policies which it expects firms to meet, and monitors firms' compliance. The supervision approach includes three key characteristics:

- Use of judgement to determine whether financial firms are safe and sound, whether insurers provide appropriate protection for policyholders and whether firms continue to meet the threshold conditions (including maintaining appropriate capital and liquidity, and having suitable management arrangements).
- A forward looking approach to assess firms against risks which may arise in the future.
- Focus on those issues and those firms that pose the greatest risk to the stability of the UK financial system and policyholders.

The PRA will change a firm's business model if they judge that mitigating risk measures are insufficient.

Other bodies impacting the regulatory regime

The Bank of England and HM Treasury

The agreed framework for co-operation in the field of financial stability in the financial markets is detailed in the Memorandum of Understanding published jointly by HM Treasury, the FCA and the Bank of England (now including the PRA) (together, the "**Tripartite Authorities**"). The Bank of England has specific responsibilities in relation to financial stability, including: (i) ensuring the stability of the monetary system; (ii) oversight of the financial system infrastructure, in particular payments systems in the UK and abroad; and (iii) maintaining a broad overview of the financial system through its monetary stability role.

UK Financial Ombudsman Service ("FOS")

The FOS provides consumers with a free and independent service designed to resolve disputes where the customer is not satisfied with the response received from the regulated firm. The FOS resolves disputes for eligible persons that cover most financial products and services provided in (or from) the UK. The jurisdiction of the FOS extends to include firms conducting activities under the Consumer Credit Act 1974. Although the FOS takes account of relevant regulation and legislation, its guiding principle is to resolve cases on the basis of what is fair and reasonable; in this regard, the FOS is not bound by law or even its own precedent. The decisions made by the FOS are binding on regulated firms.

The Financial Services Compensation Scheme ("FSCS")

The FSCS was established under the FSMA and is the UK's statutory fund of last resort for customers of authorised financial services firms. Companies within the LBCM Group are responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers. The FSCS can pay compensation to customers if a firm is unable, or likely to be

unable, to pay claims against it. The FSCS is funded by levies on firms authorised by the PRA and the FCA, including companies within the LBCM Group.

UK Competition and Markets Authority (“CMA”)

Since 1 April 2014, the competition functions previously exercised by the Office of Fair Trading and the Competition Commission have been transferred to the new CMA or the FCA. The CMA’s regulatory and enforcement powers impact the banking sector in a number of ways, including powers to investigate and prosecute a number of criminal offences under competition law. In addition, the CMA is now the lead enforcer under the Unfair Terms in Consumer Contracts Regulations 1999.

UK Information Commissioner’s Office

The UK Information Commissioner’s Office is responsible for overseeing data protection and freedom of information. The Data Protection Act 2018 (which enshrines the General Data Protection Regulation) controls, among other things, the retention and use of data relating to individual customers. The Freedom of Information Act 2000 (the “FOIA”) sets out a scheme under which any person can obtain information held by, or on behalf of, a “public authority” without needing to justify the request. A public authority will not be required to disclose information if certain exemptions set out in the FOIA apply.

The Payments System Regulator (“PSR”)

The PSR is an independent economic regulator for the £75 trillion payment systems industry, which was launched in April 2015. Payment systems form a vital part of the UK’s financial system – they underpin the services that enable funds to be transferred between people and institutions. The purpose of PSR is to make payment systems work well for those that use them. The PSR is a subsidiary of the FCA, but has its own statutory objectives, Managing Director and Board. In summary its objectives are: (i) to ensure that payment systems are operated and developed in a way that considers and promotes the interests of all the businesses and consumers that use them; (ii) to promote effective competition in the markets for payment systems and services – between operators, payment services providers and infrastructure providers; and (iii) to promote the development of and innovation in payment systems, in particular the infrastructure used to operate those systems.

Competition Regulation

As noted above, competition functions previously exercised by the Office of Fair Trading and the Competition Commission have been transferred to the CMA or the FCA. The CMA’s regulatory and enforcement powers impact the banking sector in a number of ways, including powers to investigate and prosecute a number of criminal offences under competition law.

The FCA has concurrent competition powers in relation to the provision of financial services in the UK, in addition to its competition objective. The FCA has been undertaking a programme of work to assess markets across financial services to ascertain whether or not competition is working effectively in the best interests of consumers. The FCA will also act as an observer on the “Open Banking” steering group and be involved in developing and testing “prompts” to encourage customers to consider their banking arrangements.

In addition, the PRA also has a secondary objective under the Financial Services (Banking Reform) Act to, so far as reasonably possible, act in a way which facilitates effective competition.

For more information see *“Risk Factors – Business and Operational Risks – The LBCM Group’s businesses are conducted in competitive environments and the LBCM Group’s financial performance depends upon management’s ability to respond effectively to competitive pressures”*.

EU Regulation

Financial institutions operating in the UK are currently subject to the relevant EU legislation, which is regularly reviewed at EU level and could be subject to change, including as a result of how it is transposed into UK law following the UK's exit from the EU. The LBCM Group will continue to monitor the changes to legislation, providing specialist input on their drafting and assess the likely impact on its business.

See also *“Regulatory and Legal Risks – The LBCM Group faces risks associated with its compliance with a wide range of laws and regulations”, Regulatory and Legal Risks – Legal and regulatory risk arising from the UK’s exit from the European Union could adversely impact the LBCM Group’s business, results of operations, financial condition and prospects* and *“Regulatory and Legal Risks – Lloyds Banking Group and its subsidiaries are subject to resolution planning requirements, which could have an adverse impact on the LBCM Group’s business”*.

U.S. Regulation

In the United States, the Issuer maintains a branch in New York, licensed by the New York State Department of Financial Services (“**NYDFS**”) and subject to regulation and examination by the NYDFS and the Federal Reserve Bank of New York (“**FRBNY**”).

The licensing authority of the Issuer’s U.S. branch has the authority, in certain circumstances, to take possession of the business and property of the Issuer located in the state of the office it licenses. Such circumstances generally include violations of law, unsafe business practices and insolvency.

The existence of a branch in the U.S. subjects the Issuer and its subsidiaries doing business or conducting activities in the U.S. to oversight by the Board of Governors of the Federal Reserve System (“**Federal Reserve Board**”).

The Issuer is a foreign banking organisation treated as a bank holding company within the meaning of the U.S. Bank Holding Company Act of 1956 (“**BHC Act**”) in accordance with the provisions of the International Banking Act of 1978 and has elected, with the permission of the Federal Reserve Board, to be treated as a financial holding company under the BHC Act.

Financial holding companies (such as the Issuer) may engage in a broader range of financial and related activities than are permitted to bank holding companies that do not maintain financial holding company status, including underwriting and dealing in all types of securities. To maintain financial holding company status, the Issuer is required to meet certain capital ratios and be deemed to be “well managed” for purposes of the Federal Reserve Board’s regulations. The LBCM Group’s direct and indirect activities and investments in the U.S. are limited to those that are “financial in nature” or “incidental” or “complementary” to a financial activity, as determined by the Federal Reserve Board.

The LBCM Group is also required to obtain the prior approval of the Federal Reserve Board before acquiring, directly or indirectly, the ownership or control of more than 5 per cent. of any class of the voting shares of any U.S. bank or bank holding company.

U.S. regulation, including changes implemented under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “**Dodd-Frank Act**”), addresses systemic risk oversight, bank capital standards, the resolution of failing systemically significant financial institutions in the U.S., OTC derivatives, restrictions on the ability of banking entities to engage in proprietary trading activities and make investments in and sponsor certain private equity funds and hedge funds (known as the “**Volcker rule**”), asset securitisation activities and securities market conduct and oversight.

Among other requirements, the Dodd-Frank Act established a requirement for entities that are swap dealers to register with the U.S. Commodity Futures Trading Commission (“**CFTC**”). The Issuer is registered as a swap dealer and, as such, is subject to regulation and supervision by the CFTC and the National Futures

Association with respect to its swap activities, including risk management, practices, trade documentation and reporting, business conduct and recordkeeping, among others.

For more information see “*Regulatory and Legal Risks – The LBCM Group and its businesses are subject to substantial regulation and oversight. Adverse legal or regulatory developments could have a material adverse effect on the LBCM Group’s business, results of operations, financial condition or prospects*”.

Other Jurisdictions

The LBCM Group also undertakes activities in and from Germany, Singapore and the Crown Dependencies, and historically has undertaken activity in and from the British Overseas Territory of Gibraltar. Consequently, certain entities and activities within the LBCM Group are separately subject to regulation in those jurisdictions, including by (but not limited to) the German Federal Financial Supervisory Authority, the Monetary Authority of Singapore, the Jersey Financial Services Commission, the Guernsey Financial Services Commission, the Isle of Man Financial Services Authority, and in relation to other relevant legal and regulatory requirements including for example local ombudsman services, as appropriate.

Legal Actions and Regulatory Matters

During the ordinary course of business the LBCM Group is subject to complaints and threatened or actual legal proceedings (including class or group action claims) brought by or on behalf of current or former employees, customers, investors or other third parties, as well as legal and regulatory reviews, challenges, investigations and enforcement actions, both in the UK and overseas. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the LBCM Group incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established to management’s best estimate of the amount required at the relevant balance sheet date. In some cases it will not be possible to form a view, for example because the facts are unclear or because further time is needed properly to assess the merits of the case, and no provisions are held in relation to such matters. In these circumstances, specific disclosure in relation to a contingent liability will be made where material. However the LBCM Group does not currently expect the final outcome of any such case to have a material adverse effect on its financial position, operations or cash flows.

Recent Developments

Since 31 December 2019 there has been a global pandemic from the outbreak of COVID-19 which is causing widespread disruption to financial markets and normal patterns of business activity across the world, including the UK. There are numerous risks associated with the pandemic that could have a material impact on the profitability, capital, liquidity and operational resilience of the LBCM Group. In view of its evolving nature, the directors of the Issuer are unable to estimate its ultimate financial and other effects. For more information see “*Economic and Financial Risks – Risks related to the impact of COVID-19*”.

At its special meeting ending on 10 March 2020, the UK's Monetary Policy Committee (“MPC”) voted unanimously to reduce the UK Bank Rate by 50 basis points to 0.25 per cent. It also introduced a new Term Funding Scheme to provide banks with a cost-efficient source of funding and to provide additional incentives to banks to support lending to small and medium sized enterprises.

At its special meeting on 19 March 2020, the MPC voted unanimously to reduce the UK Bank Rate by a further 15 basis points to 0.10 per cent.

On 8 April 2020, the directors of LBG announced that until the end of 2020, LBG will not undertake any quarterly or interim dividend payments, accrual of dividends or share buybacks on ordinary shares. Furthermore, in response to a request received from the PRA, the board of LBG also announced cancellation of payment of the final 2019 dividend in relation to LBG’s ordinary shares. LBG’s directors will decide on any dividend policy and amounts at year-end 2020.

During the years of 2018 and 2019, the Issuer made no dividend payments. In March 2020, the directors of the Issuer approved the payment of an interim dividend of £700 million, which was paid out in April 2020.

Major Shareholders and Related Party Transactions

Major Shareholders

The Issuer is wholly-owned by LBG.

Related Party Transactions

The Issuer, as at 31 December 2019, had related party transactions with its fellow Lloyds Banking Group undertakings and with certain of its management personnel.

Corporate Governance

In order to comply with the requirements of the Ring-fencing Rules, the Lloyds Banking Group has established a corporate governance structure for the Issuer to enable a degree of independence and separation between the Issuer (as the non-ring-fenced bank) and Lloyds Bank (as the ring-fenced bank).

The structure includes separate decision-making processes for the Issuer, an independent board of directors of the Issuer comprising a majority of non-executive directors, and an independent executive team of the Issuer. These arrangements are designed to enable the management of the Issuer to retain the ability to monitor and manage the activities of the LBCM Group within appropriate risk appetites, limits and policies.

Directors of the Issuer

The directors of the Issuer and their respective principal outside activities, where significant to the LBCM Group, are as follows:

| Name | Principal outside activities |
|--|--|
| Non-Executive Directors | |
| Lord Lupton CBE Chairman | Senior Advisor to Greenhill Europe. The Board has recognised that potential conflicts may arise in relation to this position. The Board has authorised the potential conflicts and requires Lord Lupton to recuse himself from discussions should the need arise. In addition, Lord Lupton is a Trustee of The Lovington Foundation and Chairman of the Board of Visitors of The Ashmolean Museum. Lord Lupton is an Independent Non-Executive Director of LBG. This role is a permitted interest under the Issuer's articles of association however, for good order, the Board has authorised the potential conflicts that may arise as a result of this role and requires Lord Lupton to recuse himself from discussions, should the need arise. |
| John Cummins Independent Non-Executive Director | Managing Director of Future Cities and interim acting Director of Regeneration, Director of Legal and General Finance plc and holds a number of director appointments with Legal and General Group plc related entities. John Cummins has been appointed as Director and Trustee of the Centre for Cities, a charitable company limited by guarantee. The Board has recognised that potential conflicts may arise as a result of these positions. The Board has authorised the potential conflicts and requires John Cummins to recuse himself from discussions should the need arise. |

| Name | Principal outside activities |
|---|--|
| <p>Andrew McIntyre Independent Non-Executive Director</p> | <p>Non-Executive Director, Senior Independent Director and Chair of the Audit and Risk Committee of C. Hoare & Co., Member of the Financial Reporting Review Panel (a sub-committee of the Financial Reporting Council) and Non-Executive Director and Chair of the Audit Committee and Chair of Ethics and Culture Committee of the National Bank of Greece S.A. In addition, Andrew McIntyre is a Non-Executive Director and Chair of the Audit Committee of the Ecclesiastical Insurance Group plc, Member of the Appointments Committee and Chair of the Audit Committee of Hermes Property Unit Trust and Chair of Audit Committee of Cavamont Holdings Limited. The Board has recognised that potential conflicts may arise in relation to these positions. The Board has authorised the potential conflicts and requires Andrew McIntyre to recuse himself from discussions, should the need arise.</p> |
| <p>John Owen Independent Non-Executive Director</p> | <p>None.</p> |
| <p>Carla Antunes Da Silva Non-Executive Director</p> | <p>Group Strategy, Corporate Development and Investor Relations Director for LBG and an attendee of the Group Executive Committee. This role is a permitted interest under the Issuer's articles of association however, for good order, the Board has authorised the potential conflicts that may arise as a result of this role and requires Carla Antunes Da Silva to recuse herself from discussions, should the need arise. Carla Antunes Da Silva does not act a representative of LBG as the shareholder of LBCM in her role as a Non-Executive Director on the Board. In addition, Carla Antunes Da Silva is a Non-Executive Director of Associação Laboratório de Investimento Social (Social Finance Portugal) and a Non-Executive Director of Novo Banco, Portugal.</p> |
| Executive Directors | |
| <p>Eduardo J Stock da Cunha Executive Director and Chief Executive Officer</p> | <p>None.</p> |
| <p>Christopher Edis Executive Director and Chief Financial Officer</p> | <p>Non-Executive Director of Stonewater Limited and Stonewater Funding plc.</p> |

Other than as set out above, none of the directors of the Issuer has any actual or potential conflict between their duties to the Issuer and their private interests or other duties as listed above.

TAXATION

1 General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). Any Noteholders who are in doubt as to their own tax position should consult their professional advisers. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdiction discussed below) may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes.

2 United Kingdom Taxation

The comments below are based on current United Kingdom tax law as applied in England and Wales and HMRC practice (which may not be binding on HMRC), in each case as at the latest practicable date before the date of this Prospectus. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes and Coupons and may not apply to certain classes of persons (such as dealers) to whom special rules may apply. Any Noteholders who are in doubt as to their tax position or may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.

References in this part to “interest” shall mean amounts that are treated as interest for the purposes of United Kingdom taxation.

Taxation of Interest on the Notes

- (i) Any Notes which carry a right to interest within the meaning of section 987 of the Income Tax Act 2007 (the “Act”) will constitute “quoted eurobonds” provided they are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Act or admitted to trading on a “multilateral trading facility” operated by a UK or other EEA-regulated recognised stock exchange within the meaning of sections 987 and 1005 of the Act. Payments of interest by the Issuer on the Notes, if they are “quoted eurobonds” may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for the purposes of section 1005 of the Act. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part VI of the Financial Services and Markets Act 2000) by the FCA and admitted to trading on the London Stock Exchange.
- (ii) The International Securities Market (“ISM”) is a multilateral trading facility operated by a UK or other EEA-regulated recognised stock exchange (the London Stock Exchange) for the purposes of sections 987 and 1005 of the Act.
- (iii) Payments of interest by the Issuer on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax provided that it continues to be a bank within the meaning of section 991 of the Act and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 878 of the Act.
- (iv) Interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax where at the time interest on the Notes is paid, the Issuer reasonably believes either:

- (a) that the person beneficially entitled to the income is a United Kingdom resident company or is a non-United Kingdom resident company which is within the charge to United Kingdom corporation tax as regards the payment of interest; or
- (b) that the payment is made to one of the bodies or persons, and in accordance with any applicable conditions, set out in sections 935 to 937 of the Act,

provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

- (v) Interest on Notes with a maturity date of less than one year and which are not issued with the intention, or under a scheme or arrangement the effect of which is, that such Notes form part of a borrowing intended to be capable of remaining outstanding for a year or more may be paid without withholding or deduction for or on account of United Kingdom income tax.
- (vi) Where Notes are issued at an issue price of less than 100 per cent. of their principal amount any payments in respect of the accrued discount will not generally be made subject to any withholding or deduction on account of United Kingdom income tax as long as they do not constitute payments in respect of interest.
- (vii) Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest and, if so, any such payment of interest may (subject to paragraphs (i) to (iii) above) be subject to United Kingdom withholding tax at the basic rate of income tax (currently 20 per cent.).
- (viii) In all other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs under domestic law or to any direction to the contrary HMRC may provide in respect of any relief which may be available pursuant to the provisions of an applicable double taxation treaty.

United Kingdom Source Interest

The interest is expected to have a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment irrespective of the residence of the Noteholder. Where the interest is paid without withholding or deduction for or on account of United Kingdom tax, the interest will not be assessed to United Kingdom tax in the hands of holders of the Notes (other than certain trustees) who are not resident for tax purposes in the United Kingdom, except where such persons carry on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable or (in the case of companies) such persons carry on a trade in the United Kingdom through a permanent establishment in the United Kingdom in connection with which the interest is received or to which the Notes are attributable, in which case United Kingdom tax may be levied on the United Kingdom branch, agency or permanent establishment. There are exemptions for interest received by certain categories of agent.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom for tax purposes may be able to recover all or part of the tax deducted under an applicable double taxation treaty.

Noteholders should recognise that the provisions relating to additional amounts referred to in “*Terms and Conditions of the Notes – Taxation*” would not apply if HMRC sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However, exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

SUBSCRIPTION AND SALE

Summary of Programme Agreement

Subject to the terms and on the conditions contained in a Programme Agreement dated 5 August 2020 (as modified and/or supplemented and/or restated as at the date of the issue of the Notes, the “**Programme Agreement**”) between the Issuer, the Dealers (the “**Permanent Dealers**”) and such additional persons that are appointed as dealers in respect of the Programme (and whose appointment has not been terminated), as the case may be, and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers and any such additional dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer may pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment and update of the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Other Relationships

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking, hedging activities and other commercial dealings in the ordinary course of business with the Issuer or any of its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

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 or any of 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 or any of its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer 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 the Issuer’s securities, including potentially any Notes which may be offered under the Programme. Any such short positions could adversely affect future trading prices of any Notes offered 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.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. 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 U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

United Kingdom

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

- (a) 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 would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) 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 United Kingdom.

Prohibition of Sales to EEA and 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 relevant Final Terms or Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the UK. 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 (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the “**Australian Corporations Act**”)) in relation to the Programme or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”) or any other government agency. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant Final Terms or Pricing Supplement (or a relevant supplement to this Prospectus) otherwise provides, it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” for the purposes of section 761G and 761GA of the Australian Corporations Act;
- (iii) such action complies with any applicable laws, regulations and directives (including without limitation, the licensing requirements set out in Chapter 7 of the Australian Corporations Act) in Australia; and
- (iv) such action does not require any document to be lodged with ASIC.

In addition, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with the directive issued by the Australian Prudential Regulation Authority dated 21 March 2018 as contained in Banking exemption No. 1 where the Dealer offers Notes for sale in relation to an issuance. This order requires all offers and transfers to be in parcels of not less than A\$500,000 (or its equivalent in another currency) in aggregate principal amount. Banking exemption No. 1 does not apply to offers for sale and transfers which occur outside Australia.

Belgium

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 made and will not make an offer of Notes to the public as defined in Article 4, 2° of the Belgian law of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to the trading on a regulated market, as amended (the “**Belgian Prospectus Law**”), in Belgium, save in those circumstances set forth in Article 7, §1 and 10, §2-5 of the Belgian Prospectus Law, provided that no such offer of Notes shall require the Issuers or any Dealer to publish a prospectus or supplement thereto pursuant to Articles 7, §2 and 8 of the Belgian Prospectus Law or an information note (*informatienota/note d’information*) pursuant to Articles 10, §1 and 11 of the Belgian Prospectus Law.

The offering of any of the Notes is conducted exclusively under applicable private placement exemptions and it has therefore not been and will not be notified to, and the Prospectus and any marketing materials or other documents relating to the Notes have not been and will not be provided to, nor approved by, the Belgian Financial Services and Markets Authority (*Autoriteit voor financiële diensten en markten/Autorité des services et marchés financiers*).

This Prospectus has been issued to the intended recipients for personal use only and exclusively for the purpose of the offering of any of the Notes. It may therefore not be used for any other purpose, nor disclosed to any other person, in Belgium.

Consumers in Belgium

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 that it will not sell, offer or otherwise make available, any Notes to any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended, in Belgium.

Bermuda

This Prospectus and the Notes offered hereby have not been, and will not be, filed or registered under the laws and regulations of Bermuda, nor has any regulatory authority in Bermuda passed comment upon or approved the accuracy or adequacy of this Prospectus. The Notes offered hereby may not be offered to the public in Bermuda, except in compliance with the provisions of the Investment Business Act 2006 of Bermuda which regulates the sale of securities in Bermuda and neither this Prospectus, which has not been submitted to the Bermuda Minister of Finance, the Bermuda Registrar of Companies or the Bermuda Monetary Authority, nor any offering material or information contained herein relating to the Notes, may be supplied to the public in Bermuda or used in connection with any offer for the subscription or sale of Notes to the public in Bermuda.

Cayman Islands

No offer or invitation by, or on behalf of, the Issuer to subscribe for the Notes may be made from a place of business in the Cayman Islands to the public in the Cayman Islands.

Dubai International Financial Centre

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the “DFSA”) Rulebook; and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

France

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

- (i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the notification of the approval of this Prospectus to the *Autorité des marchés financiers* (“AMF”) by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Regulation (EU) 2017/1129, as amended, all in accordance with Articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of such prospectus; or

- (ii) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or Pricing Supplement or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Gibraltar

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 made and will not make an offer of the Notes which are the subject of the offering contemplated by this Prospectus as completed by the relevant Final Terms or Pricing Supplement in relation thereto to the public in Gibraltar except that it may make an offer of such Notes to the public in Gibraltar if:

- (i) the total consideration of the offer in the European Union is not more than €8,000,000 calculated over a period of 12 months; and
- (ii) the offer is not subject to notification in accordance with Article 25 of the EU Prospectus Regulation.

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

- (i) with respect to anything done by it in relation to the Notes, in, from or otherwise involving Gibraltar, it has complied and will continue to comply with all provisions applicable to it under Part 19 of the Financial Services Act 2019 (“FSA 2019”); and

- (ii) it will not issue or cause to be issued, make or cause to be made, any investment advertisement or promotion in or from within Gibraltar, unless:
 - (a) it is authorised and/or approved to do so under the provisions applicable to it under Part 7, Permission of the FSA 2019; and
 - (b) it has received the prior written approval of the Issuer.

Guernsey

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the “**POI Law**”) as amended or any exemption therefrom.

The Prospectus Rules 2008 issued by the Guernsey Financial Services Commission (“**GFSC**”) do not apply to this Prospectus and, accordingly, this Prospectus has not been, nor is required to be, submitted to or approved or authorised by the GFSC for circulation in Guernsey. This Prospectus may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than by a person (i) licensed to do so under the terms of the POI Law, or (ii) exempt from the requirement to be so in compliance with section 29(1)(c) of the POI Law.

Hong Kong

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

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) 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 (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession 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 defined in the SFO and any rules made under the SFO.

Ireland

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

- (i) it will not offer, underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) (the “**MiFID II Regulations**”) including, without limitation, Regulation 5 thereof or

any rules or codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);

- (ii) it will not offer, underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014 of Ireland (as amended) (the “**Companies Act 2014**”), the Central Banks Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (iii) it will not offer, underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus Regulation and any rules issued by the Central Bank of Ireland (the “**Central Bank**”) under Section 1363 of the Companies Act 2014;
- (iv) it will not offer, underwrite the issue of, place, or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act 2014; and
- (v) no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank.

Isle of Man

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only engaged in, and will only engage in, investment activity with Isle of Man persons, and that it has only communicated or caused to be communicated and will only communicate or cause to be communicated to, Isle of Man persons invitations or inducements to engage in investment activity, in the circumstances permitted in terms of paragraph 2(d) of Schedule 1 to the Isle of Man Regulated Activities Order 2011 (as amended in 2013, 2016 and 2018), or if it has otherwise complied and will otherwise comply with all applicable Isle of Man laws and regulations with respect to anything done by it in relation to any Notes in, from or otherwise involving the Isle of Man.

This Prospectus has not been, and is not required to be, filed or lodged with any regulatory or other authority in the Isle of Man. The Issuer is not subject to regulatory approval in the Isle of Man and holders of Notes are not protected by any statutory compensation arrangements in the event of the Issuer’s failure. The Isle of Man Financial Services Authority does not vouch for the financial soundness of the Issuer or the correctness of any statements made or opinions expressed with regard to it.

Israel

The Notes offered hereby are not being sold pursuant to a prospectus that has been qualified with the Israeli Securities Authority. As such, the Notes may not be offered in Israel or to Israeli residents other than to persons who have confirmed in writing prior to and in connection with their investment that (i) they are among the types of investors listed in Sections (1) – (9) of Appendix 1 of the Securities Law, 5728-1968, of the State of Israel (an “**Exempted Investor**”), (ii) they are aware of the legal consequences of their qualifying as an Exempted Investor and consent thereto, and (iii) they are purchasing the Notes for their own account, for investment purposes, and without a present intention of resale.

Japan

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 “**Financial Instruments and Exchange Act**”). Accordingly,

each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Jersey

An offer for subscription, sale or exchange of the Notes will not be circulated in Jersey and this Prospectus will not be circulated in Jersey unless all relevant legal and regulatory requirements of Jersey law have been complied with prior to such circulation. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, on terms to this effect.

Malta

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (i) it has not issued or caused to be issued and it will not issue or cause to be issued any investment advertisement, as defined in the Investment Services Act (Chapter 370 of the Laws of Malta) (the “ISA”), in relation to the Notes or the offer of Notes, in or from within Malta, except that it may issue or cause to be issued such investment advertisement in or from within Malta if it is issued or its contents have been approved by a licence holder in terms of the ISA or if and to the extent that an exemption from the requirements set out in article 11(1)(b) of the ISA applies under Maltese law; (ii) if any offer of Notes is made to the public in Malta and/or any advertisement or any other document or information in relation to an offer of Notes or the Notes is issued or caused to be issued in or from Malta, such offer will be made and/or such advertisement, document or information will be so issued or caused to be issued in accordance with Maltese law; (iii) it has complied and will comply with all applicable provisions of the ISA (and all rules and regulations issued thereunder) with respect to anything done by it in relation to the Notes in, from, or otherwise involving Malta; and (iv) it will conduct itself in accordance with any codes or rules of conduct and any conditions or requirements imposed by the Malta Financial Services Authority with respect to anything done by it in relation to the Notes in, from, or otherwise involving Malta.

Each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not issue or cause to be issued any investment advertisement, as defined in the ISA, in relation to the Notes or the offer of Notes, in or from within Malta, unless it is authorised to do so by the Issuer.

Monaco

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes shall not be marketed, offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco duly authorised intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Notes. Consequently, the Notes may only be communicated to banks duly licensed by the *Autorité de Contrôle Prudentiel* and by the *Ministère d’Etat* and/or to fully licensed portfolio management companies the licence of which has been granted by the *Commission de Contrôle des Activités Financières* by virtue of Law n° 1.338 of 7 September 2007.

The recipients of this Prospectus perfectly understand English and expressly waive the possibility of a French translation of this Prospectus. *Les destinataires du présent document comprennent parfaitement la langue anglaise et renoncent expressément à une traduction française.*

People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold by it or any of its affiliates, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the People's Republic of China.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) 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 any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

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 delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Prospectus or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and applicable Italian laws, including of Legislative Decree no. 58 of 24 February 1998 (the “**Financial Services Act**”) and implementing CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of the CONSOB Regulation No. 11971 of 14 May 1999, as amended, and the applicable Italian laws.

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

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy (including the reporting requirements), as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Republic of Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act and its subordinate decrees and regulations (collectively the “**FSCMA**”). The Notes may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly,

in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law and its subordinate decrees and regulations (collectively, the “FETL”). Without prejudice to the foregoing, the number of the Notes offered in Korea or to a resident in Korea shall be less than fifty, and for a period of one year from the Issue Date of the Notes, none of the Notes may be divided resulting in an increased number of the Notes. Furthermore, the Notes may not be resold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL) in connection with the purchase of the Notes.

San Marino

This Prospectus has not been registered with the Central Bank of San Marino (“*Banca Centrale della Repubblica di San Marino*”, also “BCSM”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may only be offered or sold to the public in San Marino pursuant to and in compliance with the Law 2005/165 “*Legge sulle imprese e sui servizi bancari, finanziari ed assicurativi*”, the BCSM Rule 2007/07 and BCSM Rules 2006-03, as amended, and any regulation issued thereunder. Therefore, no offer will be made to the public, whether directly or indirectly, in San Marino unless it is in compliance with the LISF and BCSM Rules 2006-03 and 2007/07 and any regulation issued thereunder.

It is specified that also in the case of purchase in San Marino by “professional clients”, neither the Issuer, the LBCM Group nor foreign distributors can place the Notes directly in San Marino because in any case they must contact an authorised party in San Marino which can provide investment services. A direct placement of the Notes, in the absence of specific authorisation by the BCSM, would involve in a violation pursuant to Article 134 of Law 2005/165.

Singapore

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. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, 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 Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (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), 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.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2005 of Singapore.

Spain

This Prospectus has not been registered with the Spanish Securities Market Regulator (*Comisión Nacional del Mercado de Valores*). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that that it will only offer securities with a nominal value each of at least €100,000, pursuant to and in accordance with the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, Spanish Royal Decree 1310/2005, both as amended or superseded from time to time, and any regulation issued thereunder.

Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offer will be made to the public in Sweden unless it is in compliance with the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) and any other applicable Swedish law.

Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except where explicitly permitted by the relevant Final Terms or Pricing Supplement:

- (i) except as set out below, it will not make a public offer of the Notes, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the Swiss Financial Services Act ("**FinSA**");
- (ii) the Notes will not be admitted by it to trading on a trading venue (exchange or multilateral trading facility) in Switzerland;
- (iii) it will not offer, sell, advertise or distribute the Notes, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the FinSA, except to professional clients as such term is defined or interpreted under the FinSA (the "**Professional Investors**"); and
- (iv) no key information document pursuant to article 58(1) FinSA (or any equivalent document under the FinSA) has been or will be prepared in relation to any Notes and, therefore, any Notes with a derivative character within the meaning of article 86(2) of the Swiss Financial Services Ordinance

may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

The Notes may not be publicly offered, directly or indirectly, in Switzerland, except (i) to Professional Investors or (ii) in the case of Notes, the Final Terms or Pricing Supplement of which explicitly permit a public offer in Switzerland. Offering or marketing material relating to Notes the Final Terms or Pricing Supplement of which do not explicitly permit a public offer in Switzerland, may not be distributed or otherwise made available in Switzerland, except to Professional Investors.

The Notes shall not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland except in the case of Notes, the Final Terms or Pricing Supplement of which explicitly provide for such an admission to trading in Switzerland.

The Notes do not constitute participations in a collective investment scheme within the meaning of the Swiss Collective Investment Schemes Act (“CISA”). Therefore, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority (“FINMA”), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.

Taiwan

The Notes, if listed on the Taipei Exchange for sale to professional or general investors in Taiwan and to the extent permitted by the relevant Taiwan laws and regulations, may be sold in Taiwan to professional or general investors, as applicable, or, if not listed on the Taipei Exchange, may be made available, (i) to Taiwan resident investors outside Taiwan for purchase by such investors outside Taiwan; (ii) to the Offshore Banking Units of Taiwan banks (“OBU”), the Offshore Securities Units of Taiwan securities firms (“OSU”) or the Offshore Insurance Unit of Taiwan insurance companies (“OIU”) purchasing the Notes either for their proprietary account or for the accounts of their non-Taiwan clients or for re-sale to qualifying Taiwan and non-Taiwan investors (“OBU/OSU/OIU Channel Sales”); and/or (iii) to investors in Taiwan through certain licensed Taiwan financial institutions to the extent permitted under relevant Taiwan laws and regulations, but may not, otherwise be offered, sold or resold in Taiwan.

To the extent the Notes are offered to non-Taiwan clients via OBU/OSU/OIU Channel Sales, the relevant offering documents provided to such clients shall contain the following notification:

The Notes offered herein have not been reviewed or approved by the Taiwan authorities and are not subject to any filing or reporting requirement. The Notes are only permitted to be recommended or introduced to or purchased by clients of an OBU/OSU/OIU which clients reside outside Taiwan. Clients of an OBU/OSU/OIU are not eligible to use the financial consumer dispute resolution mechanism under the Taiwan Financial Consumer Protection Law.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any other offering material or any Final Terms or Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Neither the Issuer nor the Dealers represent that Notes may at any time lawfully be sold in compliance with any appropriate registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

If, in respect of any offering of Notes, the offer of such Notes in a given jurisdiction is required to be made by a licensed broker or dealer and if any Dealer or any affiliate of any Dealer involved in such offering is so licensed and so agrees, the offer of such Notes in such jurisdiction shall be deemed to be made by the relevant Dealer(s) or affiliate(s), as the case may be, on behalf of the Issuer.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it shall, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus, any other offering material or any Final Terms or Pricing Supplement and, that it will, obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws, regulations and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sale or deliveries, and neither the Issuer nor any other Dealer shall have responsibility therefor.

TRANSFER RESTRICTIONS

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiry of the distribution compliance period (as used in “**Selling Restrictions**”), by its acceptance of such Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (as such terms are defined in Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (ii) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiry of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (iii) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (iv) It understands that the Notes offered in reliance on Regulation S will be represented by a Global Certificate or a Global Note. Prior to the expiration of the distribution compliance period, before any interest in the Global Certificate or the Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Global Certificate or the Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
- (v) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”

FORM OF FINAL TERMS

MiFID II product governance / Professional investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is 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 "**distributor**") should take into consideration the manufacturers' target market assessment; however, a 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 manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA AND 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 European Economic Area ("**EEA**") or in the United Kingdom (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 (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

[Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (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 Recommendation on Investment Products).]³

PROHIBITION OF SALES TO SWISS 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 Switzerland. For these purposes, a retail investor means a person who is a retail client as defined in Article 4 of the Swiss Financial Services Act ("**FinSA**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (or any equivalent document under the FinSA) has been or will be prepared in relation to any Notes and (ii) therefore, any Notes with a derivative character within the meaning of article 86 (2) of the Swiss Financial Services Ordinance may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

Final Terms dated [●]

Lloyds Bank Corporate Markets plc

Legal Entity Identifier (LEI): 213800MBWEIJDM5CU638

³ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the £10,000,000,000

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**”) contained in the Trust Deed dated [date] and set forth in the Prospectus dated [date] [and the supplemental Prospectus(es) dated [date[s]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented] in order to obtain all the relevant information. The Prospectus [and the supplemental Prospectus(es)] [is] [are] published on the Issuer’s website [●].

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] [and the supplemental Prospectus(es) dated [date[s]]] and incorporated by reference into the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the “**Prospectus Regulation**”) and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus(es) dated [date[s]]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the Supplemental Prospectus(es) dated [date[s]]. The Prospectuses [and the supplemental Prospectus(es)] are published on the Issuer’s website [●].]

- 1 Issuer: Lloyds Bank Corporate Markets plc (the “**Issuer**”)
- 2 (i) Series Number: [●]
(ii) [Tranche Number:] [●]
(iii) [Date on which 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 Global Note for interests in the Permanent Global Note, which is expected to occur on or about [●]]/Not Applicable]
- 3 Specified Currency: [●]
- 4 Aggregate Nominal Amount: [●]
(i) Series: [●]
(ii) Tranche: [●]
- 5 Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
- 6 (i) 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 [●]]

- (ii) Calculation Amount: [●]
- 7 (i) [Issue Date:] [●]
(ii) [Interest Commencement Date:] [Issue Date/[●]/Not Applicable]
- 8 Maturity Date: [[●]/Interest Payment Date falling in or nearest to [●]], subject to adjustment in accordance with the Business Day Convention specified at paragraph [14(vii)][15(xix)][16(iv)] below.]
- 9 Interest Basis: [[●] per cent. Fixed Rate]
[[●] per cent. to be reset on [●] [[and [●]] and every [●] anniversary thereafter Fixed Rate Reset]]
[[[●] [●] LIBOR]/[EURIBOR]/[BBSW]/[NIBOR]/[€STR]/[SONIA]/[SOFR]]
[[+/-] [●] per cent.] Floating Rate]
[Zero Coupon]
- 10 Redemption Basis: [Redemption at par/Redemption at [●] per Calculation Amount]
- 11 Change of Interest or Redemption/Payment Basis: [[●]/Not Applicable]
- 12 Put/Call Options: [Put Option]
[Call Option]
[(further particulars specified below)]
- 13 Status of the Notes: Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi annually/ quarterly/ monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [from and including [●]][until and including [●]], subject, in each case, to adjustment in accordance with the Business Day Convention specified at paragraph 14(vii) below.]
- (iii) Fixed Coupon Amount[(s)]: [[●] per Calculation Amount]
- (iv) Broken Amount(s): [[[●] per Calculation Amount][[●] calculated by reference to the Aggregate Nominal Amount], payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
- (v) Day Count Fraction: [Actual/365]
[Actual/365 (Fixed)]
[Actual/360]

- [30/360]
 [30E/360]
 [30E/360 (ISDA)]
 [Actual/Actual ICMA]
- (vi) Determination Dates: [[•] in each year/Not Applicable]
- (vii) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention (Adjusted)]/[Following Business Day Convention (Unadjusted)]/[Modified Following Business Day Convention (Adjusted)]/[Modified Following Business Day Convention (Unadjusted)]/[Preceding Business Day Convention (Adjusted)]/[Preceding Business Day Convention (Unadjusted)]/[Not Applicable]
- 15 **Fixed Rate Reset Note Provisions** [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [•] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] [and [•]] in each year [from and including [•]][until and including [•]], subject, in each case, to adjustment in accordance with the Business Day Convention specified at paragraph 15(xix) below.]
- (iii) First Reset Date: [•]
- (iv) Second Reset Date: [[•]/Not Applicable]
- (v) Anniversary Date(s): [[•]/Not Applicable]
- (vi) Reset Determination Dates: [•]
- (vii) Reset Rate: [[semi-annual][annualised]Mid-Swap Rate]
 [Benchmark Gilt Rate]
 [CMT Rate]
- (viii) Swap Rate Period: [[•]/Not Applicable]
- (ix) CMT Designated Maturity: [[•]/Not Applicable]
- (x) Screen Page: [ICESWAP 1]/[ICESWAP 2]/[ICESWAP 3]/[ICESWAP 4]/[ICESWAP 5]/[ICESWAP 6] /[•]/[Not Applicable]
- (xi) Fixed Leg [[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[•] day count basis]/[Not Applicable]
- (xii) Floating Leg [[3]/[6]/[•]-month [LIBOR]/[EURIBOR]/[•] rate calculated on an[Actual/365]/[Actual/360]/[•] day count basis]/[Not Applicable]

- (xiii) Margin[(s)]: [+/-] [●] per cent. per annum
- (xiv) Fixed Coupon Amount[(s)] to (but excluding) the First Reset Date: [[●] per Calculation Amount]
- (xv) Broken Amount[(s)]: [[[●] per Calculation Amount][[●] calculated by reference to the Aggregate Nominal Amount], payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
- (xvi) Day Count Fraction: [Actual/365]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Actual/Actual ICMA]
- (xvii) Determination Dates: [[●] in each year/Not Applicable]
- (xviii) Calculation Agent: [●]
- (xix) Benchmark Determination Agent: [●]/[Calculation Agent]/[To be appointed by the Issuer prior to the Reset Determination Date]/[Not Applicable]
- (xx) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention (Adjusted)]/[Following Business Day Convention (Unadjusted)]/[Modified Following Business Day Convention (Adjusted)]/[Modified Following Business Day Convention (Unadjusted)]/[Preceding Business Day Convention (Adjusted)]/[Preceding Business Day Convention (Unadjusted)]/[Not Applicable]
- (xxi) First Reset Period Fallback: [●]
- 16 **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●][from and including [●]][until and including [●]]
- (iii) Interest Period Date: [Not Applicable]/ [[●] in each year[, subject, in each case, to adjustment in accordance with the Business Day Convention specified in paragraph 16(iv) below/, not subject to any adjustment[, as the Business Day Convention in paragraph 16(iv) below is specified to be Not Applicable]]
- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention (Adjusted)]/[Following Business Day Convention (Unadjusted)]/[Modified Following Business Day Convention

(Adjusted)/[Modified Following Business Day Convention
(Unadjusted)]/[Preceding Business Day Convention
(Adjusted)]/[Preceding Business Day Convention (Unadjusted)]/[Not
Applicable]

- (v) Business Centre(s): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) / Calculation Agent (if not the Issuing and Paying Agent): [[●]/Not Applicable]
- (viii) Screen Rate Determination: [Applicable – Term Rate/Applicable – Overnight Rate/Not Applicable]
- Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
 - Reference Rate: [[[●]]-month
[[[●]]LIBOR]/[EURIBOR]/[BBSW]/[NIBOR]/[ESTR]/[SONIA]/[SOFR]
 - Interest Determination Date(s): [[●] [TARGET/[●]] Business Days [in [●]] prior to the [●] day in each Interest Accrual Period/each Interest Payment Date[[●] Business Days prior to the end of each Interest Period] [●]
 - Relevant Screen Page: [[●]/Not Applicable]
 - Relevant Time: [●]
 - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
 - Lag Look-back Period: [[●]/Not Applicable]
 - Observation Shift Period: [[●]/Not Applicable]
 - D: [365/360/[●]]
 - Index Determination: [Applicable/Not Applicable]

- (ix) ISDA [Applicable/Not Applicable]
Determination:
– Floating Rate [●]
Option:
– Designated [●]
Maturity:
– Reset Date: [●]
– ISDA [●]/[Not Applicable]
Definitions:
- (x) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (xi) Margin[(s)]: [[+/-] [●] per cent. per annum]/[Not Applicable]
- (xii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (xiii) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (xiv) Day Count Fraction: [Actual/365]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Actual/Actual ICMA]
- (xv) Benchmark Transition Event: [Applicable/Not Applicable]
- 17 **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Amortisation Yield compounding basis: [Compounded/Non-compounded] [annually/semi-annually/other]
- (iii) Reference Price: [●]
- (iv) Any other formula/basis of determining amount payable: [●]

PROVISIONS RELATING TO REDEMPTION

- 18 **Call Option** [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●], subject, in each case, to adjustment in accordance with the Business Day Convention specified at paragraph [14(vii)][15(xix)][16(iv)] above.]
 - (ii) Optional Redemption Amount(s): [[●] per Calculation Amount/Early Redemption Amount]
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [[●] per Calculation Amount/Not Applicable]
 - (b) Maximum Redemption Amount: [[●] per Calculation Amount/Not Applicable]
 - (iv) Notice period: [●]/[Not less than five nor more than [●] days]
- 19 **Put Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●], subject, in each case, to adjustment in accordance with the Business Day Convention specified at paragraph [14(vii)][15(xix)][16(iv)] above.]
 - (ii) Optional Redemption Amount(s): [[●] per Calculation Amount/Early Redemption Amount]
 - (iii) Notice period: [●]
- 20 **Final Redemption Amount** [[●] per Calculation Amount/[●]]
- 21 **Early Redemption Amount**
- Early Redemption Amount(s) payable on redemption for taxation reasons, or on event of default or other early redemption: [[●] per Calculation Amount / [●]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22 **Form of Notes** [Bearer Notes -
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Registered Notes – Global Certificate – [Euroclear/Clearstream Luxembourg]]

- 23 New Global Note: [Yes]/[No]
- 24 Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]
- 25 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes. As the Notes have more than 27 coupon payments, [a] Talon[s] may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: [●]
Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Listing: London
- (ii) Admission to trading: Application [has been made/is expected to be made] for the Notes to be admitted to trading on the London Stock Exchange’s Regulated Market with effect from on or about [●].
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: [The Notes to be issued have not been rated.]
[The Notes to be issued [have been rated/are expected to be rated]:
[S&P: [●]]
[Moody’s: [●]]
[Fitch: [●]]]
[Need to include a brief explanation of the meaning of the ratings if this has previously been published by a ratings provider]

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

Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.]

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See [“Use of Proceeds”] in Prospectus]
- (ii) Estimated net proceeds: [●]

5 [Fixed Rate Notes only – YIELD

Indication of yield: [●]

6 [Floating Rate Notes only – HISTORICAL INTEREST RATES

Details of historical [LIBOR/EURIBOR/SONIA/SOFR] rates can be obtained from [Reuters/[●]].]

7 OPERATIONAL INFORMATION

- ISIN: [●]
- Common Code: [●]
- Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[●]].
- Delivery: Delivery [against/free of] payment

| | |
|--|---|
| Names and addresses of additional Paying Agent(s) (if any): | [●]/[Not Applicable] |
| Name and address of Calculation Agent: | [●]/[Not Applicable] |
| [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 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.]/ [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)] [<i>include this text for registered notes</i>]. 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.]] |
| Relevant Benchmark[s]: | [[<i>specify benchmark</i>] is provided by [<i>administrator legal name</i>]]. As at the date hereof, [[<i>administrator legal name</i>][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [<i>specify benchmark</i>] does not fall within the scope of the Benchmark Regulation]/[Not Applicable] |
| 8 DISTRIBUTION | |
| U.S. Selling Restrictions: | [Reg S Category 2; TEFRA C/TEFRA D/TEFRA not applicable] |

FORM OF PRICING SUPPLEMENT

No prospectus is required in accordance with Regulation (EU) 2017/1129 for the issue of the PR Exempt Notes described herein. The FCA acting under Part VI of FSMA has neither approved or reviewed information contained in this Pricing Supplement.

[MiFID II product governance / Professional investors and ECPs only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is 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 "**distributor**") should take into consideration the manufacturers' target market assessment; however, a 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 manufacturers' target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA AND 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 European Economic Area ("**EEA**") or in the United Kingdom (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 (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

[Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (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 Recommendation on Investment Products).]⁴

PROHIBITION OF SALES TO SWISS 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 Switzerland. For these purposes, a retail investor means a person who is a retail client as defined in Article 4 of the Swiss Financial Services Act ("**FinSA**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (or any equivalent document under the FinSA) has been or will be prepared in relation to any Notes and (ii) therefore, any Notes with a derivative character within the meaning of article 86 (2) of the Swiss Financial Services Ordinance may not be offered or recommended to private clients within the meaning of the FinSA in Switzerland.

⁴ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Pricing Supplement dated [●]

Lloyds Bank Corporate Markets plc

Legal Entity Identifier (LEI): 213800MBWEIJDM5CU638

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the £10,000,000,000

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**”) contained in the Trust Deed dated [date] and set forth in the Prospectus dated [date] [and the supplemental Prospectus(es) dated [date[s]]]. This document constitutes the Pricing Supplement of the PR Exempt Notes described herein and must be read in conjunction with the Prospectus [as so supplemented] in order to obtain all the relevant information. The Prospectus [and the supplemental Prospectus(es)] [is] [are] published on the Issuer’s website [●].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] [and the supplemental Prospectus(es) dated [date[s]]] and incorporated by reference into the Prospectus dated [current date]. This document constitutes the Pricing Supplement of the Notes and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus(es) dated [date[s]]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (as amended or superseded) in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the Supplemental Prospectus(es) dated [date[s]]]. The Prospectuses [and the supplemental Prospectus(es)] are published on the Issuer’s website [●].]

- 1 Issuer: Lloyds Bank Corporate Markets plc (the “**Issuer**”)
- 2 (i) Series Number: [●]
(ii) [Tranche Number:] [●]
(iii) [Date on which 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 Global Note for interests in the Permanent Global Note, which is expected to occur on or about [●]]/Not Applicable]
- 3 Specified Currency: [●]
- 4 Aggregate Nominal Amount: [●]
 - (i) Series: [●]
 - (ii) Tranche: [●]

- 5 Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
- 6 (i) 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 [●]]
- (ii) Calculation Amount: [●]
- 7 (i) [Issue Date:] [●]
- (ii) [Interest Commencement Date:] [Issue Date/[●]/Not Applicable]
- 8 Maturity Date: [[●]/Interest Payment Date falling in or nearest to [●]][, subject to adjustment in accordance with the Business Day Convention specified at paragraph [14(vii)][15(xix)][16(iv)] below.]
- 9 Interest Basis: [[●] per cent. Fixed Rate]
- [[●] per cent. to be reset on [●] [[and [●]] and every [●] anniversary thereafter Fixed Rate Reset]]
- [[[●] [●] LIBOR]/[EURIBOR]/[BBSW]/[NIBOR]/[€STR]/[SONIA]/[SOFR]]
- [[+/-] [●] per cent.] Floating Rate]
- [Zero Coupon]
- 10 Redemption Basis: [Redemption at par/Redemption at [●] per Calculation Amount]
- 11 Change of Interest or Redemption/Payment Basis: [[●]/Not Applicable]
- 12 Put/Call Options: [Put Option]
- [Call Option]
- [(further particulars specified below)]
- 13 Status of the Notes: Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi annually/ quarterly/ monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [from and including [●]][until and including [●]][, subject, in each case, to adjustment in accordance with the Business Day Convention specified at paragraph 14(vii) below.]
- (iii) Fixed Coupon Amount(s): [[●] per Calculation Amount]

- (iv) Broken Amount(s): [[[•] per Calculation Amount][[•] calculated by reference to the Aggregate Nominal Amount], payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
 - (v) Day Count Fraction: [Actual/365]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Actual/Actual ICMA]
 - (vi) Determination Dates: [[•] in each year/Not Applicable]
 - (vii) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention (Adjusted)]/[Following Business Day Convention (Unadjusted)]/[Modified Following Business Day Convention (Adjusted)]/[Modified Following Business Day Convention (Unadjusted)]/[Preceding Business Day Convention (Adjusted)]/[Preceding Business Day Convention (Unadjusted)]/[Not Applicable]
- 15 **Fixed Rate Reset Note Provisions** [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [•] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
 - (ii) Interest Payment Date(s): [•] [and [•]] in each year [from and including [•]][until and including [•]][, subject, in each case, to adjustment in accordance with the Business Day Convention specified at paragraph 15(xix) below.]
 - (iii) First Reset Date: [•]
 - (iv) Second Reset Date: [[•]/Not Applicable]
 - (v) Anniversary Date(s): [[•]/Not Applicable]
 - (vi) Reset Determination Dates: [•]
 - (vii) Reset Rate: [[semi-annual][annualised]Mid-Swap Rate]
[Benchmark Gilt Rate]
[CMT Rate]
 - (viii) Swap Rate Period: [[•]/Not Applicable]
 - (ix) CMT Designated Maturity: [[•]/Not Applicable]

- (x) Screen Page: [ICESWAP 1]/[ICESWAP 2]/[ICESWAP 3]/[ICESWAP 4]/[ICESWAP 5]/[ICESWAP 6] /[●]/[Not Applicable]
- (xi) Fixed Leg [[semi-annual]/[annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]
- (xii) Floating Leg [[3]/[6]/[●]-month [LIBOR]/[EURIBOR]/[●] rate calculated on an[Actual/365]/[Actual/360]/[●] day count basis]/[Not Applicable]
- (xiii) Margin[(s)]: [+/-] [●] per cent. per annum
- (xiv) Fixed Coupon Amount[(s)] to (but excluding) the First Reset Date: [[●] per Calculation Amount]
- (xv) Broken Amount[(s)]: [[[●] per Calculation Amount][[●] calculated by reference to the Aggregate Nominal Amount], payable on the Interest Payment Date falling [in/on] [●]/Not Applicable]
- (xvi) Day Count Fraction: [Actual/365]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Actual/Actual ICMA]
- (xvii) Determination Dates: [[●] in each year/Not Applicable]
- (xviii) Calculation Agent: [●]
- (xix) Benchmark Determination Agent: [●]/[Calculation Agent]/[To be appointed by the Issuer prior to the Reset Determination Date]/[Not Applicable]
- (xx) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention (Adjusted)]/[Following Business Day Convention (Unadjusted)]/[Modified Following Business Day Convention (Adjusted)]/[Modified Following Business Day Convention (Unadjusted)]/[Preceding Business Day Convention (Adjusted)]/[Preceding Business Day Convention (Unadjusted)]/[Not Applicable]
- (xxi) First Reset Period Fallback: [●]
- 16 **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●][from and including [●]][until and including [●]]

- (iii) Interest Period Date: [Not Applicable]/ [[●] in each year[, subject, in each case, to adjustment in accordance with the Business Day Convention specified in paragraph 16(iv) below/, not subject to any adjustment[, as the Business Day Convention in paragraph 16(iv) below is specified to be Not Applicable]]
- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention (Adjusted)]/[Following Business Day Convention (Unadjusted)]/[Modified Following Business Day Convention (Adjusted)]/[Modified Following Business Day Convention (Unadjusted)]/[Preceding Business Day Convention (Adjusted)]/[Preceding Business Day Convention (Unadjusted)]/[Not Applicable]
- (v) Business Centre(s): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) / Calculation Agent (if not the Issuing and Paying Agent): [[●]/Not Applicable]
- (viii) Screen Rate Determination: [Applicable – Term Rate/Applicable – Overnight Rate/Not Applicable]
- Calculation Method: [Weighted Average/Compounded Daily]
 - Reference Rate: [[[●]]-month
[[[●]]LIBOR]/[EURIBOR]/[BBSW]/[NIBOR]/[€STR]/[SONIA]/[SOFR]
 - Interest Determination Date(s): [[●] [TARGET/[●]] Business Days [in [●]] prior to the [●] day in each Interest Accrual Period/each Interest Payment Date][[●] Business Days prior to the end of each Interest Period] [●]
 - Relevant Screen Page: [[●]/Not Applicable]
 - Relevant Time: [●]
 - Observation Method: [Lag/Lock-out/Observation Shift/Not Applicable]
 - Lag Look-back Period: [[●]/Not Applicable]

| | | |
|--------|---------------------------------------|---|
| - | Observation Shift Period: | [[●]/Not Applicable] |
| - | D | [365/360/[●]] |
| - | Index Determination: | [Applicable/Not Applicable] |
| (ix) | ISDA Determination: | [Applicable/Not Applicable] |
| - | Floating Rate Option: | [●] |
| - | Designated Maturity: | [●] |
| - | Reset Date: | [●] |
| - | ISDA Definitions: | [●]/[Not Applicable] |
| (x) | Linear Interpolation: | [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation] |
| (xi) | Margin[(s)]: | [[+/-] [●] per cent. per annum]/[Not Applicable] |
| (xii) | Minimum Rate of Interest: | [[●] per cent. per annum]/[Not Applicable] |
| (xiii) | Maximum Rate of Interest: | [[●] per cent. per annum]/[Not Applicable] |
| (xiv) | Day Count Fraction: | [Actual/365] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360] [30E/360 (ISDA)] [Actual/Actual ICMA] |
| (xv) | Benchmark Transition Event: | [Applicable/Not Applicable] |
| 17 | Zero Coupon Note Provisions | [Applicable/Not Applicable] |
| (i) | Amortisation Yield: | [●] per cent. per annum |
| (ii) | Amortisation Yield compounding basis: | [Compounded/Non-compounded] [annually/semi-annually/other] |
| (iii) | Reference Price: | [●] |

- (iv) Any other [●]
formula/basis of
determining
amount payable:

PROVISIONS RELATING TO REDEMPTION

- 18 **Call Option** [Applicable/Not Applicable]
 - (i) Optional [●], subject, in each case, to adjustment in accordance with the Business
Redemption [●], subject, in each case, to adjustment in accordance with the Business
Date(s): Day Convention specified at paragraph [14(vii)][15(xix)][16(iv)] above.]
 - (ii) Optional [[●] per Calculation Amount/Early Redemption Amount]
Redemption
Amount(s):
 - (iii) If redeemable in
part:
 - (a) Minimum [[●] per Calculation Amount/Not Applicable]
Redemption
Amount:
 - (b) Maximum [[●] per Calculation Amount/Not Applicable]
Redemption
Amount:
 - (iv) Notice period: [●]/[Not less than five nor more than [●] days]
- 19 **Put Option** [Applicable/Not Applicable]
 - (i) Optional [●], subject, in each case, to adjustment in accordance with the Business
Redemption [●], subject, in each case, to adjustment in accordance with the Business
Date(s): Day Convention specified at paragraph [14(vii)][15(xix)][16(iv)] above.]
 - (ii) Optional [[●] per Calculation Amount/Early Redemption Amount]
Redemption
Amount(s):
 - (iii) Notice period: [●]
- 20 **Final Redemption Amount** [[●] per Calculation Amount/[●]]
- 21 **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for taxation reasons, or on event of default or other early redemption: [[●] per Calculation Amount / [●]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22 **Form of Notes** [Bearer Notes -
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
 [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 [Registered Notes – Global Certificate – [Euroclear/Clearstream Luxembourg]]
- 23 New Global Note: [Yes]/[No]
- 24 Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/[●]]
- 25 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes. As the Notes have more than 27 coupon payments, [a] Talon[s] may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: [●]
 Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Listing: [[●]/None [*Listing is required for withholding tax purposes*]]
- (ii) Admission to trading: [Application [has been made/is expected to be made] for the Notes to be admitted to trading on the [ISM]/[●] with effect from on or about [●].]/[Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [●]/[Not Applicable]

2 RATINGS

- Ratings: [The Notes to be issued have not been rated.]
[The Notes to be issued [have been rated/are expected to be rated]:
[S&P: [●]]
[Moody's: [●]]
[Fitch: [●]]]

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

Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.]

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See [“Use of Proceeds”] in Prospectus]
- (ii) Estimated net proceeds: [●]

5 [Fixed Rate Notes only – YIELD

- Indication of yield: [●]

6 [Floating Rate Notes only – HISTORICAL INTEREST RATES

Details of historical [LIBOR/EURIBOR/SONIA/SOFR] rates can be obtained from [Reuters/[●]].]

7 OPERATIONAL INFORMATION

- ISIN: [●]
- Common Code: [●]
- Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[●]].
- Delivery: Delivery [against/free of] payment
- Names and addresses of additional Paying Agent(s) (if any): [●]/[Not Applicable]
- Name and address of Calculation Agent: [●]/[Not Applicable]

[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)] [*include this text for registered notes*] 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.]/

[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.]]

Relevant Benchmark[s]:

[[*specify benchmark*] is provided by [*administrator legal name*]]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation]/[Not Applicable]

8

DISTRIBUTION

U.S. Selling Restrictions:

[Reg S Category 2; TEFRA C/TEFRA D/TEFRA not applicable]

GENERAL INFORMATION

- 1 Application has been made to the FCA for the Notes (other than PR Exempt 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 its regulated market which is a regulated market for the purpose of MiFID. It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the regulated market of the London Stock Exchange will be admitted separately as and when issued upon submission to the FCA and to the London Stock Exchange of the relevant Final Terms and any other information required by the FCA or any other relevant authority, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Application has also been made for PR Exempt Notes issued under the Programme to be admitted to trading on the ISM of the London Stock Exchange. The listing of the Programme in respect of the Notes on both the Market and the ISM is expected to be granted on or about 5 August 2020. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. If a Series of Notes will be unlisted, or listed on another exchange, the specific terms relating to such Series of Notes will be contained in a Pricing Supplement.
- 2 The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment and update of the Programme and the issue and performance of the Notes. The establishment of the Programme and the issue of Notes under it was authorised by resolutions of the Board passed on 18 April 2019 and the update of the Programme and the issue of Notes under it was authorised by resolutions of the Board passed on 14 November 2020.
- 3 There has been no significant change in the financial position or financial performance of the LBCM Group since 30 June 2020, the date to which the LBCM Group's last published financial information (as set out in the Issuer's 2020 Half Year Results) was prepared.

Save as disclosed in the sub-sections entitled "*Risk Factors - Economic and Financial Risks - Risks relating to the impact of COVID-19*" and "*Recent Developments*" on pages 22 to 24 and 106 respectively of this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2019, the date to which the Issuer's last published audited financial information (as set out in the Issuer's 2019 Annual Report) was prepared.
- 4 There are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus, which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the LBCM Group.
- 5 Each permanent and definitive Bearer Note having a maturity of more than one year, and any Coupon or Talon with respect to such a Bearer Note will bear the following legend:

"Any United States person 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".
- 6 Notes have been accepted for clearing through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code and the International Securities Identification Number ("ISIN") and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms or Pricing Supplement. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.
- 7 Where information in this Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such

third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

- 8** For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available at the website of the Issuer at www.lloydsbankinggroup.com:
 - 8.1** the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - 8.2** the Articles of Association of the Issuer;
 - 8.3** the Issuer's 2020 Half-Year Results, the Issuer's 2019 Annual Report, the Issuer's 2018 Annual Report and the 2018 Carve Out Financial Statements;
 - 8.4** each set of Final Terms and Pricing Supplement; and
 - 8.5** a copy of this Prospectus together with any Supplemental Prospectus or drawdown prospectus and, in each case, any document incorporated by reference therein.
- 9** Unless otherwise stated in the applicable Final Terms or Pricing Supplement, the Issuer does not intend to provide post-issuance information in connection with any issue of Notes.
- 10** This Prospectus and the Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com.
- 11** Copies of the latest audited consolidated Annual Reports of the Issuer and copies of the Trust Deed will be available for inspection at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding.
- 12** PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors (members of the Institute of Chartered Accountants in England and Wales) have audited and rendered unqualified audit reports on the annual consolidated published financial statements of the Issuer for the two financial years ended 31 December 2018 and 31 December 2019; and have rendered a qualified accountant's report on the 2018 Carve Out Financial Statements of the Issuer (see the Accountant's Report incorporated by reference in this Prospectus).
- 13** The Legal Entity Identifier (LEI) of the Issuer is 213800MBWEIJDM5CU638.
- 14** The website of the Issuer is www.lloydsbankinggroup.com. The information on www.lloydsbankinggroup.com does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

REGISTERED OFFICE OF THE ISSUER

25 Gresham Street
London EC2V 7HN
Tel: +44 20 7050 6060

TRUSTEE

The Law Debenture Trust Corporation p.l.c.

Fifth Floor
100 Wood Street
London EC2V 7EX

ISSUING AND PAYING AGENT, CALCULATION AGENT, REGISTRAR AND TRANSFER AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

ARRANGER

Lloyds Bank Corporate Markets plc

10 Gresham Street
London EC2V 7AE

DEALERS

Banco Santander, S.A.

Santander Global Banking & Markets
Ciudad Grupo Santander
Avenida de Cantabria
Edificio Encinar
28660, Boadilla del Monte
Madrid
Spain

BNP Paribas

16, boulevard des Italiens
75009 Paris
France

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Goldman Sachs International

Plumtree Court
25 Shoe Lane
London EC4A 4AU

ING Bank N.V.

Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Lloyds Bank Corporate Markets plc

10 Gresham Street
London EC2V 7AE

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA

Scotiabank Europe plc

201 Bishopsgate
6th Floor
London EC2M 3NS
United Kingdom

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB

Citigroup Global Markets Europe AG

Reuterweg 16
60323 Frankfurt am Main
Federal Republic of Germany

Crédit Agricole Corporate and Investment Bank

12, Place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

HSBC Bank plc

8 Canada Square
London E14 5HQ

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP

Mizuho International plc

Mizuho House
30 Old Bailey
London EC4M 7AU

RBC Europe Limited

100 Bishopsgate
London
EC2N 4AA

The Toronto-Dominion Bank

60 Threadneedle Street
London EC2R 8AP
United Kingdom

AUDITORS

PricewaterhouseCoopers LLP

7 More London Riverside
London SE1 2RT

REPORTING ACCOUNTANTS

PricewaterhouseCoopers LLP

1 Embankment Place
London WC2N 6RH

LEGAL ADVISERS

*To the Issuer
as to English law*

Linklaters LLP
One Silk Street
London EC2Y 8HQ

*To the Dealers and the Trustee
as to English law*

Clifford Chance LLP
10 Upper Bank Street
Canary Wharf
London E14 5JJ